Canada's Next Prime Minister (Page 9)

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The Nation's Business

Election Funds Where Do They Come From?

Need for Publicity

English Millers and Canadian Wheat

Who Pays For the Election?

BY MIDNIGHT of October 14 Canadians will know more about the 1935 general election than they now know.

But there is one matter on which they will have no more information than they have ever had on any election; and that is where the parties got the money to pay their bills.

There has been a good deal of crying of "poor mouth." Both Liberals and Conservatives claim to have been embarrassingly short of funds. Mr. Stevens claims to have run his campaign on almost nothing at all and the C.C.F. and Social Credit campaigns have been run like a bible institute, on the work of individuals, aided by silver collections at the door.

* * *

BUT if less has been spent it is only a matter of degree. Hundreds of thousands of dollars have been poured into the coffers of both of the major parties. They have spent lavishly—though less lavishly than they would have desired—on advertising, radio broadcasts, meetings, pamphlets, etc.

The usual rumors go the rounds as to where the money came from. The British head of a great world monopoly is supposed to be paying for some large Conservative ads. Other large corporations within Canada have contributed generously or responded to assessments.

During the past week the Grits are supposed to have been the beneficiaries of large donations from business houses who felt that they alone had a chance of a sweeping victory and should therefore be encouraged in order to avoid an indecisive result.

Officials at a certain party headquarters were elated when one of Canada's wealthiest business men walked in not only with a check but with some bright ideas for their advertising slogans. What they did not know is that he had just come away from the other party's headquarters where he had gone through the same little act. He was taking no chances.

* * *

WHAT do the Canadian people think about the subject of campaign fund contributions? If the truth were told they probably think little about them except when a scandal breaks.

But right now on the eve of the election is a good time to give the matter some thought.

If enough people were to express their views on the subject it is probable that members of Parliament of all parties could be made to unite behind legislation requiring publicity for all campaign fund contributions.

Parties have to be financed. But there would be less suspicion and greater freedom from abuses if they were financed in the open.

* * *

English Millers Were Right

IT IS perhaps unfortunate that during election periods political speeches designed for very local consumption can not be kept at home. They have an unhappy faculty of turning up in London or Washington with embarrassing and often damaging results.

Prime Minister Bennett's onslaught against English millers, when speaking before wheat growing audiences of the Prairies, is a

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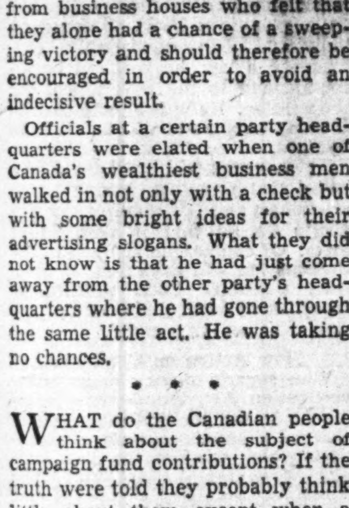


Decline of stock prices due to opening of hostilities in East Africa is reflected in the Dominion Bureau index for the week ended Oct. 3. Since that time, there has been some firmness. Indices appear on page 4.

Beauharnois Millions Lie In Lap of Courts

Transportation & Power Suit Affects $75 Millions in Bonds

Are seventy-five million dollars at stake in the Beauharnois suit?

That huge sum has been poured into the Beauharnois power enterprise by banks, governments, Montreal Light, Heat and Power Co., bond houses and the public. Is it imperilled as some are saying, by an action of Transportation and Power Corp. to get possession of the shares of Beauharnois Light, Heat & Power Co., which are now held by Beauharnois Power Corp., and which Transportation and Power claims should rightfully be owned by it.

Array of Legal Talents

With a vast array of legal talent available to all but the members of the public who bought one large block of the bonds is it possible or likely that the investment companies, the banks and the Governments allowed the money to go into this tremendous enterprise while the title was seriously clouded?

If so, it will be the first time in Canadian history that such a thing has occurred. The matter is of such great importance that a review is of public interest.

Decade of Litigation

The matter assumes importance to the bondholders now because members of the public are being advised by wholesale to proceed against those who sold them their bonds on the ground that the last buyers were not properly advised of the alleged cloud on the title. As long as they were getting their interest little attention was paid to such advice but if the Ontario Government definitely ends the contract to take power from Beauharnois a large part of the company's revenue is lost. The Ontario Government has also been advised by Transportation and Power not to enter into a further contract with Beauharnois without taking into consideration the rights it claims.

Litigation in one form and another has been going on now for ten years to get control of Beauharnois. The interests controlling Transportation and Power have never given up the fight.

Who Did Sweezey Represent?

The whole matter turns on whether R. O. Sweezey, when he obtained the shares of Beauharnois Light, Heat & Power Co. bought them for himself and associates or as an agent of Transportation and Power Corp. Undoubtedly he once represented Transportation and Power in dealings with the Robert family but before the actual buying of the B. L. H. & P. shares he claimed to have resigned. Transportation and Power on the other hand, states that Sweezey was at all times its agent both professionally and commercially. By the Quebec law professional relationships of the kind have to be proved by written evidence. Transportation and Power fought to have oral evidence admitted as well and recently Judge Demers gave them this right on the ground that Sweezey was also a commercial agent of Transportation and Power.

Heard in Camera

Oceans of evidence have been given in camera and interests connected with Transportation and Power claim their chances are brighter than before. The possibility of getting control of a company which will lose its chief and most profitable contract apparently does not worry them. They state that the bonds will then be valueless and that they will have no obligation except possibly on that part of the Beauharnois Power $36 millions

(Continued on page 2, col. 4)

LOW INTEREST NOT REGARDED AS PERMANENT

Insurance Official Warns Life Companies Against Undue Pessimism

DECLINE TEMPORARY?

That Canada is a "six per cent country" as far as private enterprise is concerned and that low interest rates in the Dominion cannot be regarded as anything more than an indication that the low point in the "credit price cycle" has been reached, was stressed by V. R. Smith, general manager and actuary of Confederation Life Association for the American Life Convention at Chicago this week.

Life insurance companies, urged Mr. Smith, should not encourage nor can they acquiesce in the crystallization of the current unprecedently low rates of interest for a long period of years.

Companies are Middlemen

"Life companies," he urged, "are essentially middlemen as far as the interest rate is concerned, standing between their policyholders on the one hand and the mortgagors, industries, utilities, railways and governments on the other hand to whom the policyholders' funds are lent. In recent years governments have at times showed a regrettable tendency to overlook this feature in their desire to relieve debtors. It is obvious that legislative relief of debtors cannot be pushed beyond a certain point without imperilling the companies' ability to carry out their own contracts with their policyholders. On the creditor's side of their relationship, the companies have done and suffered a great deal for the benefit of debtors without government interference at all.

One other conclusion, he pointed out, is to be drawn from this double relationship of the insurance companies. "It is absolutely essential that they correctly interpret the attitude of each of the parties with whom they deal to the other. In other words, premium rates must be adjusted to represent the current interest yields which debtors are prepared and able to pay and second, debtors must not be encouraged to expect loans and yields which life insurance policyholders are not likely in the long run to consider adequate."

Far-reaching Problem

Mr. Smith's subject was the "reaction of life insurance companies to the declining rate of interest." He pointed out that this interest decline has created far-reaching problems of the first importance to life companies and that upon their proper solution rests the continuance of the public's high regard for the institution of life insurance and its ability to function as a safe depository for a substantial portion of the savings of our fellow citizens.

Past History Important

Reviewing the current investment situation, Mr. Smith pointed out that in many respects it bears a striking resemblance to the period of low rates at the turn of the century. At that time financial authorities and insurance executives were almost

(Continued on page 2, col. 1)

INDUSTRY BIDS FOR CONTROL GREAT LAKES

Gefaell Plan Considered Blow at Plans for Better Price

CO-OPERATIVE MOVE

From Our Own Correspondent

MONTREAL. — Faced with the prospect of a serious setback to their plans for a higher newsprint price in 1936 if control of the Great Lakes Paper Co. passes to the Gefaell-Aldrich group, Canadian newsprint producers and associated interests have advanced through R. S. Robertson, of the Toronto legal firm of Fasken, Robertson, Aitchison, Pickup and Calvin, an offer to the trustee, which, if accepted, will give the industry control of a company whose adherence to a common policy is regarded as essential at this time.

The plan put forward by John E. Gefaell and his group has for its strong point the guarantee for 10 years of an additional 67,500 tons of newsprint paper which would enable the proposed new company to conduct capacity operations. This feature has found favor with certain of the interested bondholders as represented by the Rt. Hon. Arthur Meighen, chairman of the protective committee.

"Dividend" Source of Worry

It is proposed to secure this additional tonnage from a number of American publishers in the mid-West field. As an inducement to sign up for the 10-year period, the Gefaell plan offers the publishers a block of preference shares which carry a fixed "dividend."

The "dividend" takes the form of a payment of $1.25 a ton on newsprint shipped in 1935 to the publisher-stockholder and $2.22 a ton each year thereafter, with the possibility that the dividend may be more in the event of the company paying the fixed aggregate preferential dividend of $2 a share.

Might Block Plans

This arrangement with a publisher or publishers is regarded by the balance of the industry as nothing more or less than a rebate.

(Continued on page 2, col. 3)

SHAWINIGAN INCOME HIGHER AS SALES GROW

Power Output This Year Will Set All-time Record

MORE FOR COMMON

Conditions in Territory More Favorable Than Year Ago — Balance Sheet Stronger

From Our Own Correspondent

MONTREAL.—With sales of both firm and secondary power well ahead of last year, and conditions in other fields of activity on a better basis, Shawinigan Water and Power Co.'s financial statement for 1935 is expected to show an increase in net income available for dividends on the common stock. After providing for all charges, including the increased reserve for depreciation, earnings will likely equal $1.25 or better a share, compared with $1.09 a share in 1934.

Industrial conditions in the territory served have an important bearing on the fortunes of the company, because the greater part of the power load is taken by industry. The newsprint industry in particular has been more active this year than at any time since 1929. Both firm and secondary power requirements have been on an increasing scale, which has enabled the company to use the power output of its new Rapide Blanc plant to good advantage.

Power Demand Growing

The asbestos industry in the eastern townships of Quebec have also contributed to the improved position of Shawinigan. Asbestos production and sales have been far above the average of recent years, which, in turn, has meant a greater demand for power.

Other industries in the territory, including Shawinigan's own chemical enterprise, have been picking up in activity, so that from an operating angle, the position of the company is better than it was a year ago.

Uniform Rate Structure

A development of some importance has been the establishment of a uniform rate system for domestic service throughout the territory served. In opening up new districts and the acquisition of existing services over a period of many years, numerous rate schedules have been in force. In the last year Shawinigan has undertaken to do away with these inherited rate structures, by applying a uniform tariff to the whole system. This work has been practically completed.

Big Gain in Sales

With the adjustment of the rate structure and the marked gain in industrial activity, power sales have mounted to higher levels than ever before recorded. For the first half of the year the Shawinigan System generated and sold 2,617 million kw.h. of electrical energy. This was in contrast to 2,242 million kw.h. for the same period in 1934.

For all of last year Shawinigan generated and purchased 4,586 million kw.h. of energy. Judged by returns for the first half of the current year and since then, output for 1935 is likely to exceed 5,000 million kw.h.—the largest of any privately owned system in the Dominion.

Income Moves Forward

The only official statement released by the company on income this year covers returns for the first half of 1935. In that period net income before depreciation and income tax totalled nearly $1.6 millions, as against over $1.4 millions for the corresponding six months of 1934.

The statement for the third quarter should make its appearance toward the middle of the month and a further gain in both gross and net income is anticipated. Prospects are that sales will continue to increase, so that net revenue available for dividends for the full year should be several hundred thousand dollars greater than in 1934.

Retire Balance of Notes

Strengthening of the balance sheet is expected to result from developments this year. Last February the company called about $4.5—the balance of the issue—of six per cent secured notes at a premium of one per cent. These notes were issued in 1932 and would have matured in 1937. Owing to the favorable money market, the issue was called in at a substantial saving to the company in interest charges. There has been no refunding in connection with this transaction and it is understood the company will take care of the redemption through its own resources.

Redemption of these notes may affect working capital which at the

(Continued on page 2, col. 1)

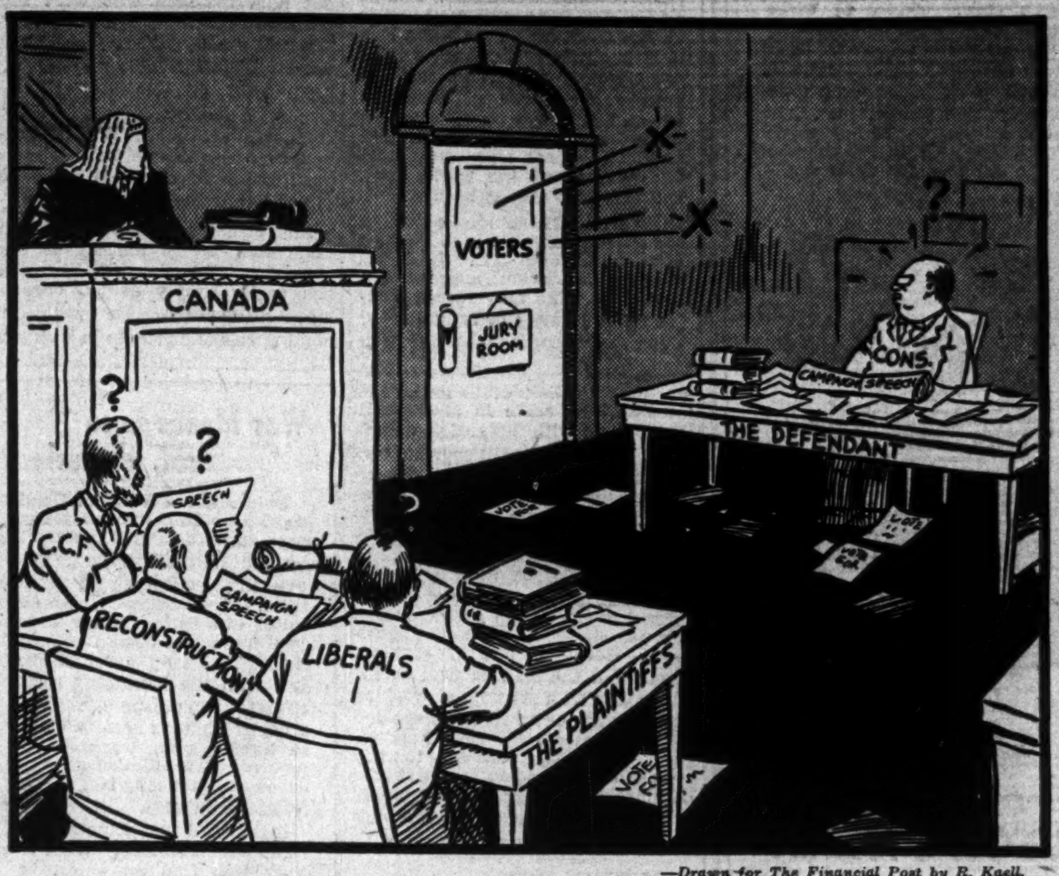
Canadian Dredge & Dock Pays Early $1 Dividend

A dividend of $1 a share has been declared on the common stock of Canadian Dredge & Dock Co., the first payment since last February. The regular quarterly payment is being made on the preferred stock. Both payments will be made Nov. 1 to shareholders of record Oct. 22.

The company's business this year has improved substantially as has been indicated consistently in The Financial Post. The company can now count on earnings of well over $1 a share for the year, it is understood. Since the season's work is approaching completion, the dividend declaration on the common is possible. Another payment may be considered at the close of the fiscal year next January.

In the past three years it has been the company's policy to pay common dividends each February 1, on the basis of business for the fiscal year which ends Jan. 31. Payment of $1 a share was made February 1, 1933, 50 cents on Feb. 1, 1934, and 75 cents on Feb. 1, 1935.

Reports that the preferred stock amounting to $83,400 will be redeemed at $107½ a share cannot be confirmed. The company has had the agreeable experience of getting rid of most of its fixed preferred dividend charges by conversion of the preferred by holders into common shares.



—Drawn for The Financial Post by R. Kaell.

THAT ANXIOUS MOMENT WHEN THE JURY'S OUT

Britain Wants Pound Set at $4.50 or Less

Advice from Washington indicates that in view of informal American stabilization representations, the British are beginning propaganda for a pound valued at $4.50 or less. The current rate is about $4.90.

The steady influx of gold into the United States, coupled with increasing difficulty in maintaining what has been considered an artificially low value of the dollar, has served to strengthen United States funds. And the Italian-Ethiopian situation has tended to depress the pound. Faced with the probability of further trade contraction, Americans have evidently begun negotiations with Britain.

Canadian exporters would dislike a low pound. Some authorities are of the opinion that if the pound drops to $4.50, it would entail a discount on Canadian funds in New York. As most of Canada's foreign debt is payable there, this is regarded as more than offsetting any advantage accruing through reduced sterling debt payments.

WHEAT, FRUIT LEADING ITEMS ITALIAN TRADE

Canada's Total Trade But $6 Millions Annually in Recent Years

Application of economic penalties or sanctions by Canada against Italy would affect total trade with this country amounting to $6 millions annually according to official Canadian trade returns.

Biggest single item is wheat sales which netted Canada a million dollars in the past fiscal year—ran as high as $20 millions in the hey-day of 1928-29.

Base Metals Rise

Next in importance is base metals, sales of which (direct to Italy) totalled over a million dollars last year—a startling increase over the previous twelve months' figure. Other important items are dried codfish, rubber tires and tubes and woodpulp. In all some 30 items enter into our export trade, the ten leaders of which are shown below. Total exports last fiscal year were $3.5 millions.

Lemons and Textiles

From Italy Canada purchases annually half a million dollars worth of lemons—also another half million of olive oil, olives and nuts. Small textile items of all sorts total in the aggregate nearly $700,000—largest single item of which is silk fabric for neckties.

Another interesting item which loomed large in last year's trade returns was mercury, imports of which soared past the $100,000 mark. Leather goods is another large item. Total imports in the past fiscal year amounted in the aggregate to little better than $2.5 millions comprising over 75 items. The total has rarely gone above the $5 millions mark, however.

Leading trade items follow:

Canada's Exports to Italy (Fiscal Years)

	1935 $	1934 $
Wheat	1,096,625	1,512,606
Codfish (dried)	483,171	509,191
Nickel	566,406	127,390
Copper	470,269	97,647
Wood pulp	236,306	299,571
Rubber tires, tubes	149,105	23,752
Asbestos	62,033	104,135
Lumber	68,856	28,169
Black fox skins	62,432	32,994
Flour	71,638	234,140

Canada's Imports from Italy (Fiscal Years)

	1935 $	1934 $
Lemons	418,814	518,709
Olive oil (edible)	326,075	257,953
Necktie Silk	102,919	83,362
Mercury	100,799	6,314
Olives, cherries (in brine)	137,482	96,918
Nuts	100,957	130,929
Leather goods	125,926	92,201
Wines	70,723	65,064
Hides, skins	70,040	35,682
Hats, felt	65,353	70,553
Tobacco, pipes	88,377	43,107

THIRD PARTIES SLIPPING BADLY OTTAWA THINKS

See Grit Majority as Move Made to Avoid Stalemate

STRAYS RETURNING

From Our Own Correspondent

OTTAWA.—Reports from all sectors of the election front strongly indicate the beginning of a powerful move to avoid political stalemate. The result is reflected in a steady improvement in Liberal prospects until, on the eve of polling day a Liberal majority in the new House of Commons appears to be assured.

Stevens Slipping

It is equally apparent that the fortunes of the third parties, with the possible exception of the Social Crediteers, which is operating within a small area, are rapidly on the decline and that only the nearness of election day will save them from almost complete eclipse.

The explanation of the collapse of the Stevens campaign is due, it is believed, to two causes. The drive for majority government is developing with great power and appears to be riding rough-shod over the hopes of the third groups. But more than that, the Stevens party is feeling the desperate pinch of financial depression.

Back to the Fold

The losses of the third parties are undoubtedly the gains of the two old parties. Premier R. B. Bennett's last ditch campaign seems to have won him the applause of the entire country, irrespective of party, and seems to have brought back to his fold tens of thousands of wayward Conservatives who had been letting their eyes stray in the direction of Reconstruction. So, too, with an army of Liberals who had found little enough to cheer about in the speeches of Rt. Hon. W. L. M. King.

But whereas the Liberal strength was never placed lower than 100 seats and the final pick-up has carried the party probably well into the clear majority territory, Mr. Bennett started out rated far below his former colleague but now most estimates give him 60 seats or better.

It is thought more than possible that the closing days of the campaign will see a rapid crystallization of opinion which may either convert the present Liberal swing into something approaching a landslide, or bring the Conservatives within striking distance of their chief opponents. The rest of the field, it is thought, is no longer in the running.

But even Ottawa is not infallible in election forecasts.

SEE ELECTIONS NOT DELAYING U.S. TRADE PACT

Expect Agreement by January — U.S. Election in 1936

From Our Own Correspondent

WASHINGTON, D.C.—High government circles feel that the trade agreement with Canada will be completed by January or earlier. Canada's impending general election and the fact that 1936 is presidential election year in this country, are not expected to affect the results. No special political pressure by either side is reported.

It is understood that negotiations are now down to firm controversial points. Canada is expected to gain concessions for primary products like cattle, lumber and possibly wheat, and other agricultural produce and also perhaps some quota arrangement in regard to newsprint. In return Canada is understood to have offered concession on manufactured goods, particularly those not largely produced in Canada.

Highlights

Canada's Next Premier

Voters know politics of the four political leaders but little of the men themselves. Bennett, King, Stevens and Woodsworth revealed. Page 9

Winter Gold

New gold area in remote Lake Athabasca region settling down for winter of hard work. Most big Canadian operators interested. Page 14

Hollinger's 25 Years

Staff editor visits famed Porcupine producer during celebration of silver jubilee. What is the outlook? Page 16

Great Lakes

Ten million dollar auction sale of big newsprint firm may be settled finally Oct. 14. Page 3. Where the surprise fifth bid originates. Page 1

Investor's Index

Legare bankruptcy puzzle 5
Consumers Glass calls bonds 5
Cooksville Co. controls Laprairie 5
Aetna changes dividends 10
Ashley Gold rumors denied 14
October dividends declared 15

INDUSTRIALS, UTILITIES, ETC.

Asbestos Corp.	11	Indus. Alcohol	11
Acme Glove	11	Int. Hydro-Elec.	15
Acme Box	7	Intern. Paper	11
Aetna Life	10	In'soll Cr. Cheese	7
Bell Tel.	5	Imp. Tobacco	4
B. C. Telephone	5	Lever Bros.	7
Bathurst P. & P.	11	London Life	10
B. C. Pulp	5	Legare Co.	5
Beauharnois	5, 15	Laprairie Co.	5
Brewing Corp.	13	Loblaw	5
Beauharnois	1	Lake St. John	4
Better Bus. Bur.	5	Mont. Cottons	11
Brown Co.	5	McColl-Front.	11
Bruck Silk	5	Montreal Pwr.	11
B. C. Packers	5	Monreal Pwr.	4
Can. & Dom. Sug.	11	Maclaren-Que.	5, 15
C. P. R.	4, 11	Mimico Bonds	5
Can. Pwr. & Pap.	11	Man. T.	5
C. Int. Paper	11	Mont. Tram	1
Canada Packers	7	Niagara Falls	11
Charter Oak Fire	10	Nat. Realty	11
Can. Celanese	4	N. Meth. Laund.	4
Calgary Pwr.	5	N. B. Pwr. Board	5
Cooksville Co.	5	Nor. Mortg. Co.	15
Consumers Glass	5	O'Keefe's	13
C. N. R.	5	Otawa Light	5
Can. Hydro-Elec.	15	Ottawa Valley	5, 15
Can. Dredge & D.	1	Power Corp.	5
Dom. S. & Coal	13	Page-Hersey	13
Essex Border	11	Penmans Ltd.	11
Farnham Schools	5	Quebec Pwr.	4
Gt. Lakes Paper	1	Rogers-Majestic.	4
Gatineau	5, 15	Robert McNish	11
Gt. Lakes Paper	4	Shawinigan	1
Gypsum, Lime	11	Simpsons	4
Gen. Steel W.	11	Trust & Loan	15
Gen. Brock Hotel	11	Tip Top Tailors	13
Hiram Walker	5	United Corp.	11
Imperial Bank	8	Williams P. & Co.	5

MINES AND OILS

Adanac Gold	15	Harkness-Hayes.	11
Athabasca Gold	14	Horseshoe Mines	14
Ashley Gold	14	Hudson Pat. G.	16
Algold Gold	15	Hollinger Gold	16
Arbade Gold	15	Inter. Nickel	14
Am. S. & R.	16	Killeon Gold	14
B. E. A. R.	14	Mining Corp.	14
Bush Cons. Gold	16	Macassa Gold	15
B.R.X. Gold	14	McWatters Gold.	16
Bridge R. Cons.	14	Noranda	14
Bidgood Kirk.	15	Nadsen Red Lake	14
Birdtail R.	14	Omega Gold	11
Buffalo-Ankerite	15	Olive Mine	16
Can. Radium	11	Pickle Crow	15
Central Patricia	15	Pioneer Gold	15
Churchill M. & S.	15	Primrose Explor.	15
Chrom. M. & S.	16	Rick. Ramore	15
Cons. M. & S.	14	Shenango	16
Dome Mines	16	Shenango Gold	14
Dentonia	15	Siscoe Gold	16
Duport Mines	14	Sherritt-Gord.	14
Elizabeth Mine	16	Sakoose Gold	11
Falconbridge	14	St. Paul Silver	11
Gillies Lake Gold	16	Schreiber Gold	14
Gilmour Gold	16	Stadacona	15
Granada	14	Sudbury Basin	14
God's Lake	14	Wayside Cons.	15
Howey Gold	14	Wells Long Lac	14
Hudson Bay	14		

QUOTATIONS

Bonds	12	Mines	15
Grain	13	Stocks	12
Foreign Exchange	8		

REGULAR DEPARTMENTS

Banking 8
Editorial 6
Business 7
Insurance 10
Enquiries 11
Grain 13
Mining 14, 15, 16

Shareholders Approve Calling C. G. E. Pref.

Shareholders of Canadian General Electric Co. agreed on October 9 to the company's plan to redeem and cancel the entire preferred stock issue at $57½ a share, plus accrued dividends.

Shareholders also approved of issuing 50,000 special employees' preferred shares of $50 par value per share, or $2.5 millions in all. These shares will carry a fixed cumulative preferential dividend of 5 per cent per annum upon the amount paid up.

MONT. TRAM TRAFFIC TREND MOVES AHEAD

First Upward Trend Noted in Over Four Years

AUG. 14 — "DER TAG"

Look for All Charges to be Covered — Trolley Bus Scheduled for Next Year

From Our Own Correspondent

MONTREAL.—August 14 was a day of more than ordinary significance in the life of Montreal Tramways Co. and most other street railway systems. On that day traffic returns were higher than for the same date the previous year—the first time in more than four years that an increase has been recorded.

From points as widely separated as Providence, R.I., Baltimore and San Antonio, Texas, come similar reports. Why the trend in tramway traffic should take a turn for the better over such wide area at precisely the same time will probably always remain a mystery. Local conditions such as conventions, rainy weather, etc., have been advanced, but no comprehensive answer has been found to explain why large and small tram systems from San Antonio to Montreal, with the notable exception of Toronto, should all report a reversal of conditions on the same day.

Hope Change Permanent

In the last six weeks Montreal Tramways has experienced a steady succession of gains. At times the betterment has been measured in fractions and while collectively the increase of the past month and a half has not been large, the change from red to black figures has been distinctly encouraging.

There is no assurance at the moment that the recent improvement will be maintained. Returns for the past six weeks may be only a "flash in the pan" but it is hoped that the change is of a more permanent form.

Last year Montreal Tramways carried 177 million passengers. This was a gain of about 800,000 over the previous year, but was well below the number carried for many years back and compares with the peak figure of over 254 millions in 1919.

Equal 1934 Returns

Indications are that the decline in traffic on the Montreal Tramways has been checked. No material change in revenue is to be expected for this year, but income should be as great as in 1934. In that year the Montreal Tramways Commission reported that income was not sufficient to care for the $500,000 rental owing to the city and was short over $93,000 in the amount owing to the company under contract.

Cover Stock Dividend

On that assumption Montreal Tramway Co.'s income statement for 1935 should show a gross revenue of around $3.5 millions. This would cover all interest charges and the dividend on the common stock, which amounts to $9 a share or $630,000 in all.

Trolley Buses Coming

By far the most interesting development in prospect for Montreal Tramways is the expected introduction of trolley buses—a form of transportation familiar in England and a few years ago tried out in Toronto but later abandoned.

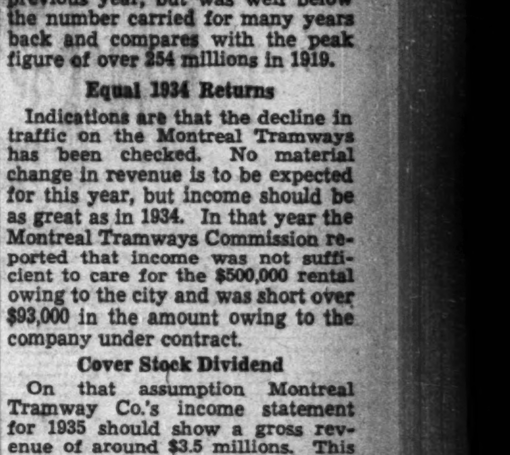
Last year the company sent two of its officials across to study transportation problems and operating methods in the large European cities. They investigated more particularly the progress achieved in the use of Diesel engines and of trolley buses.

Reports from the other side are that since then marked improvements have been made in trolley buses. The changes are occurring rapidly and to date Montreal Tramways have followed the policy of waiting to see the outcome of these improvements and to judge their suitability for operations under entirely different conditions on this side.

Try Out Next Year

The trolley bus will not be introduced in Montreal this year, but present plans are to be five or six in operation next year and a thorough test given.

Aside from the trolley bus, the company has no major scheme in mind for additional rolling stock. At the end of last year there were over 1,000 passenger cars in operation, as well as 154 motor buses.



Wholesale commodity prices advanced to 73.0 in the week ended Oct. 4 from 72.7 in the previous week, according to the index compiled by the Dominion Bureau of Statistics.

Monogrammed SCARVES and HANDKERCHIEFS

If you want to give a really personal gift — one that seems made to order for THAT person and nobody else, what could be smarter than initialled handkerchiefs or a silk scarf from The MEN'S SHOP?

The Swiss linen handkerchiefs have hand-rolled hem with white cord. Choice of three styles of monogramme, beautifully hand-embroidered. Each $1.50, $1.75 and $2.50. Real silk French scarf, reefer style, with hand-knotted fringe. Complete with initial, choice of three styles. Each $12.00. Five weeks required for delivery.

MEN'S SHOP
Bay Street Section
EATON'S - COLLEGE STREET

SOUND FINANCING

Sound financing has actuated the policies of this bank since the beginning. Its counsel to develop on sane but progressive lines has been of material assistance to its many customers.

If you feel these policies will be helpful in the development of your business we will be glad to discuss the matter with you.

The experience and services of our executives are available to every client.

THE BANK OF TORONTO
Established 1855

355

SHAWINIGAN INCOME HIGHER AS SALES GROW

(Continued from page 1)

end of 1934 amounted to just under $3 millions. On the other hand the use of surplus earnings will enable the company to take care of a substantial proportion of this obligation without the necessity of digging into reserves.

Dividend to Stand

At present the dividend of 50 cents a share on the common stock is being covered by a wide margin. The payment of a heavy premium on interest charges paid in U. S. funds proved a heavy drain on the company's earning from 1931 to 1933, so that directors are likely to favor the building up of reserves. Moreover surplus earnings were used by the company to help complete the building of the Rapide Blanc power development, on which over $13.5 millions were spent. The six per cent notes were issued in this connection and as they have been redeemed without adding to the funded debt, it might be said that the lowering of the dividend to 50 cents a share has enabled the company to complete the 160,000 h.p. project at Rapide Blanc without the necessity of adding to interest charges except during the period when the notes were outstanding.

LOW INTEREST NOT REGARDED AS PERMANENT

(Continued from page 1)

unanimously agreed that insurance rates were down permanently and that returns could not be expected in excess of 2½ to 3½ per cent.

"At a time like the present, there is a great temptation to belittle the lessons of history and to talk of new eras, new deals, new thoughts as though the problems of the past and the present were totally unrelated. Without undue reverence for tradition, it is safe to say that many painful results can be avoided by studying those lines of action that time and experience have approved."

Sees Higher Rates

Mr. Smith then traced the interest trend during the past sixty years in which three major movements had occurred:

(a) a gradual decline to a low point not unlike the present which occurred approximately in the late nineties.

(b) a gradual increase accelerated by the war which culminated approximately in 1920.

(c) a reaction followed by a gradual decline which developed into an abrupt fall during the last three years.

"We in the life insurance industry are fortunate in having this background to remind us of the danger to be avoided in taking too short a view and charting the trend of rates in the immediate future from that of the immediate past. The drastic fall in the rate which has occurred in recent years is itself a factor of very great force tending to stop the process of decline and it is in order to point out that six short years ago quite different levels of interest in the general judgment and considered opinion of the community were thought normal."

A study of these factors, he pointed out, should remind us that interest rates will be higher and that the increase when it does occur will probably be a gradual one.

Investment Problems

Mr. Smith pointed to the heavy increase in holdings of government securities which is taking place within recent years and urged that "it carries with it a potential problem of great difficulty especially from the point of view of the Canadian company which is forced in making its government returns to value its assets on the basis of market values and not on any amortized basis, even in the case of terminal bonds of the great countries of the world.

The lesson to be drawn from this, Mr. Smith pointed out, is that diversification is essential and no company should allow an undue portion of its funds to be placed even in so excellent a security as that of the issue of its country. "Courage and keenness must be exercised to uncover available investments and to avoid, if possible, the easy course of investing solely in but one class of security."

Length of Term

As to the length of the term of life insurance investments, Mr. Smith urged that the companies cannot ignore the possibility of a recurrence in future of the abnormal demands for cash surrender and loan values in 1932 and 1933.

"It is possible to hedge," he said, "in some measure against the dangers of such a situation by avoiding large holdings of bonds yielding a low rate with many years to elapse before maturity at the time when liquidity may again become of major importance. It is submitted that the reasonable period of investment which should be adopted in present time of low interest yields should be approximately ten to fifteen years and certainly not above 20."

Sound Policy Urged

Mr. Smith also warned against life insurance companies purchasing the low coupon rate refunding bonds of private corporations "unless the term of bonds is 15 years or less.

"In making new investments, the avoidance of extremes will prove the soundest policy.. Until the recovery of economic activity is more advanced, the bulk of the investment must still be made in government issues along with those of provinces, states and municipalities with conservative financial records. Nevertheless, life companies must definitely encourage and look forward to the further investment in private enterprises in the near future.

"At the present time a limited amount of investment might be considered in Canada in preferred and common stocks, in companies showing a steady record of earnings throughout the lean as well as the good years with substantial working capital, little or no funded debt and with a conservative record as regards depleting reserves to pay dividends. Bond investments should be made at this time of low yields, in issues of medium date both for government and industrial issues."

The Nation's Business

(Continued from page 1)

case in point. The repercussions were noted by the European correspondent of the Northwestern Miller who states:

"According to London press reports, in one of his election addresses, Premier Bennett, of Canada, made some scathing remarks in regard to the English millers, who, he alleges, have done their best to depreciate the price of Canadian wheat. This is a very damaging statement and is all the more dangerous when it is only partially true. English millers certainly would not wish to belittle the value of Canadian wheat, but they, with others, until quite recently, considered that Canadian wheat was being held decidedly above the world level, and this fact cannot be disputed. British millers cannot be blamed for buying their wheat to the best advantage, and Mr. Bennett's alleged accusation appears uncalled for. The only reason British millers have not bought more Canadian wheat is that it has been too high compared with other wheats."

* * *

WITH a seat in western Canada and at least some personal contact with the wheat trade there seems to be no more excuse for Mr. Bennett making an attack of this kind than there was for "wheat pools" a few years ago doing the same thing. The fault was not with the English miller buyers of wheat but with the men who were supposed to sell.

Wheat prices, until the recent rise, were maintained at an artificially high level at Winnipeg by the Canadian government. Flour made from this artificially priced wheat had to carry this additional overhead and British millers could not afford to pay the price demanded.

Any business man, and Mr. Bennett often prides himself as one, could foretell the result. The English miller simply bought cheaper wheat elsewhere. He could do nothing else and remain in business.

War Means Loss Nfld. Fisheries

Shipments of Newfoundland codfish to Italy have already been affected to such an extent by the Italo-Ethiopian situation that imposition of sanctions, it is believed, would cause but little further loss. The trade has been financed through sterling acceptances. But with the increasing seriousness of the dispute, English accepting houses became loath to handle such transactions. As a result, the Italian market has been practically lost to the Newfoundlanders.

It is hoped that some of the trade which formerly went to Italy will find an outlet in Portugal. Sales there have increased substantially although at relatively low prices. In Brazil, where financing difficulties will have to be solved, another possible outlet is cited.

INDUSTRY BIDS FOR CONTROL GREAT LAKES

(Continued from page 1)

which would prove very detrimental to the plans of other operators to put a higher newsprint price into effect during 1936.

The situation surrounding Great Lakes has taken on such vital importance with the disclosure of the Gefaell plan, that the industry has put up a counter proposal to the trustee with a view to securing control of the property.

Firms in the newsprint industry, making their counter bid for the property, had their offer, the fifth, submitted through the National Trust Co. to Great Lakes bondholders by R. S. Robertson, K.C. It is apparent from the terms of the offer that members of the newsprint industry are willing to put up $500,000 of working capital for Great Lakes, and to take a junior position to the bondholders and unsecured creditors.

All other offers provide that the sponsors receive compensation in one form of another, but that suggested by Robertson means that the subscribing members of the industry will put up the needed working capital in order to keep Great Lakes Paper Co. "in line."

Personnel Not Decided

At the moment it is not possible to give the names of the newsprint companies which will underwrite the scheme put forward by Robertson. Several meetings of the interested parties have been held, but details are not complete as to personnel, though preliminary information is to the effect that a majority of the Canadian manufacturers have already signified their willingness to share in the scheme for keeping control of Great Lakes within the industry.

Question of Tonnage

In the matter of newsprint tonnage, the Gefaell plan provides for 15,000 tons more than that promised by the industry. At present Great Lakes Paper Co., which has a productive capacity of 90,000 to 100,000 tons, has the following business:

22,500 tons from Minnesota and Ontario;

22,000 tons from publishers, of which about 10,000 comes from the Chicago News, one of the publishers subscribing to the Gefaell plan; and

16,700 tons from the pooling arrangement made by the manufacturers.

In order to make up the 90,000 tons, the Gefaell group would be assured of the 22,500 tons now being received from M. and O., and the 22,000 tons from publishers, so that it would be necessary to secure about 45,000 tons of additional business.

Under the industry's suggestion 75,000 tons would be required, of which 22,500 tons would come from M. and O. It is expected that 10,000 tons of the publishers' business would be retained (possibly all of it), so that it would be necessary to find about 25,000 tons over and above that already advanced under the pooling arrangement.

Still in the Ring

Other bidders on the property are still in the ring. One or more may revise their offers in the light of recent events, but it is anticipated that the fight for control will boil down to two or three contestants with a decision, if one is made, resting between the Gefaell group and the syndicate of newsprint manufacturers.

Particulars of the Robertson offer and modifications of the other four bids for assets of Great Lakes Paper Co. are outlined in a report on page 4.

Income Taxes Up $63 Millions

Increases have been noted in income tax collections for the Dominion during the first six months of the fiscal year ended Sept. 30, according to Hon. J. Earl Lawson, Minister of National Revenue. Net receipts in the period totalled $63,767,436, a net increase of $16,465,978 in comparison with the same period last year.

Municipality	1935 $	Incr. over 1934 $
Toronto	20,339,481	5,881,387
Montreal	19,176,767	4,673,852
London	6,175,801	2,116,420
Hamilton	4,503,054	1,529,503
Vancouver	3,996,483	863,642
Winnipeg	1,593,023	359,215
Calgary	883,210	230,389

BEAUHARNOIS MILLIONS LIE IN LAP OF COURTS

(Continued from page 1)

issue of collateral trust bonds which represented actual money spent on the development. They disavow any responsibility for the first mortgage bond issue of $40 millions placed on the assets of Beauharnois Light Heat & Power Co. stating that this was sold to the public in face of a caveat filed against the property in the middle of 1932.

Urged to Sue Banks

Bondholders are being urged that they might have recourse against the following:

1st, all bond houses that sold these Beauharnois first mortgage bonds on the prospectus criticized and especially those who bought the issue of $15 millions from the banks and later farmed it out;

2nd, all the banks, which had been making advances to Beauharnois Light Heat & Power Co. against bonds given them to cover their advances as part of their holdings was sold to the public on the ground that the banks had moral and legal obligation to see that trust deed was valid.

It seems like a tall order to make bondholders believe that these important banks and bond houses, with the best legal talent of the Dominion at their disposal, had not fully considered all elements of the situation, including the bearing of the suit taken by Transportation and Power. At one time it is alleged that an agreement was almost made whereby for a sum of money Transportation and Power would relinquish its claims. It is even said that Premier Bennett was favorable to this being done but that Montreal Light, Heat & Power Co. officers did not think it necessary.

It is to be noted that Montreal Light, Heat & Power Co. also had at its disposal eminent legal talent but yet underwrote $13.5 millions of the first mortgage bonds. The banks had previously advanced $24 millions on the security of the bonds with part of the advances also guaranteed by the Dominion Government.

When these huge sums were advanced it is to be supposed that banks and Montreal Light Heat & Power Co. both knew of the caveat and of the original action filed by Transportation & Power on June 12, 1928. This was filed in the Quebec courts against R. O. Sweezey, Newman Sweezey Co., Ltd., and Beauharnois Light, Heat & Power Co. for the revendication and retransfer of properties which they claimed had been bought for them by Sweezey as their agent. As this claim was not disposed of in the Courts and is still alive, it is urged that it constitutes a cloud against the title. As soon as others were brought in besides the defendants mentioned ancillary or supporting actions were started against the trust companies, bond houses and banks so that all should be informed of the state of affairs. Montreal Light, Heat & Power Co. has retained its bonds, it is understood.

Nearly Settled

It is possible that the writers of the prospectus may have believed certain events would automatically dispose of the Transportation and Power claim. For instance, Transportation and Power was at one time placed in bankruptcy but it was taken out again with the judge stating that the first bankruptcy had been obtained fraudulently. Then there was the near consummation of an agreement at the time Premier Bennett, the banks and Montreal Light, Heat & Power were straining every resource to see that the enterprise would be able to deliver power on October 1, 1932, to Ontario Hydro-Electric Power Commission as that contract would have dropped to the ground if there had not been specific performance. Since agreement was almost effected once before it is also possible that Transportation and Power may again be open to selling its rights to those at present in charge.

It is probable that Transportation and Power officers are not displeased by the attacks on the bond houses and bankers. If there were to be an attempt at settlement out of court it would be a strong card on their side that, if the claim were settled, the alleged cloud on the title would be removed and the bondholders would then have no claim against sellers of the bonds.

Struggle for Shares

It is beyond the province of this article to discuss the probable outcome of the suits. The courts will decide that. Bondholders may themselves gain an idea as to what is involved by scanning the following brief review of the history of the case:

1902—Beauharnois Light, Heat & Power Co. incorporated to own and deal with the diversion rights given the Robert family at an earlier period;

November 4, 1921 — Agreement effected between Robert family, owner of all shares of Beauharnois Light, Heat & Power Co., and the Great Lakes and Atlantic Canal & Power Co. whereby the latter would become owners of Beauharnois and all its rights except some reserved for the Robert family mill, $10,000 being paid down for the option.

August 25, 1922—Above agreement filed. Transportation and Power Corp. incorporated.

Sept. 14, 1922—Agreement made to transfer rights of Great Lakes & Atlantic Canal & Power Co. Transportation & Power Corp.

June 26, 1924 — Action by Great Lakes & Atlantic against Robert family for specific performance. Action dismissed April 19, 1926. Appealed but appeal not yet pushed but held in reserve in case later action fails.

April 22, 1926—Claimed that on this date R. O. Sweezey asked for authority to negotiate new agreement with Robert family without reservation of water diversion rights of 1,050 cubic feet. Granted on April 28, 1926, by specific resolution of Transportation & Power Corp.

September or October, 1926—Senator Webster drafted pooling agreement for stock of Transportation & Power. Sweezey is stated to have redrafted it and sent copy to J. A. Raymond on October 14, 1926.

Was Sweezey Agent?

December 27, 1926—R. O. Sweezey resigns from connection with Transportation & Power. Latter company claims that he had already entered into negotiations with Arthur F. White, Dominion Securities Corp., and others before resigning, that they refused to act on his letter of resignation and that they still consider him their agent.

February 3, 1927—R. O. Sweezey makes agreement with Robert family to get all shares of Beauharnois Light, Heat & Power Co. and had made deposit, it is alleged, with Robert family even earlier. Sweezey then declared he was free agent and entirely divorced from Transportation & Power.

June, 1927 — Transportation & Power takes action against R. O. Sweezey in Quebec courts. Action discontinued May 16, 1926.

June, 1928—New action against Sweezey et al commenced.

1929—Beauharnois Power Corp. formed to hold Beauharnois Light, Heat & Power Co. shares. Beauharnois syndicate No. 1 with 5,000 units had been previously formed by Mr. Sweezey under date of May 12, 1927. Beauharnois Power syndicate No. 2 had 25,000 units. The first bond issue was dated December, 1929.

June 25, 1932—Ancillary actions against Beauharnois Power Corp., banks, etc.

August 1, 1932 — Caveat filed by Transportation & Power against property of Beauharnois Light, Heat & Power Co. but not indexed.

January 1, 1933 — Second bond issue secured on assets against which caveat had been filed but not indexed.

1934—Justice Demers permits oral testimony as well as written testimony bearing on the disputed point of whether or not Mr. Sweezey was agent for Transportation & Power. In his professional relations as civil engineer only written documents are admissible but court ruled there was also a commercial agency relationship.

Defective Title as Asset

The extraordinary thing is that bondholders are being advised essentially that this alleged cloud on title is an asset.

Usually it would give a bondholder sleepless nights to be told that there is a cloud on the title to properties securing a bond issue. But in this case his great fear has been that the Ontario Government's intention to end or rewrite power contracts with Quebec Power companies might lead to bankruptcy of Beauharnois Light, Heat & Power when interest payments fall due. The upshot of that would be a proposal for satisfying bondholders with some other kind of security or with bonds at a rate of interest which could be paid by other revenues available.

In this situation they are being told by unofficial advisers that, if there is a cloud on the title, they are lucky and that they can go past a possibly bankrupt company to claim damages from those who sold them bonds on a prospectus which did not fully inform them. They make much of the fact that Transportation & Power, Ltd., registered a caveat against the Beauharnois Light, Heat & Power properties, water rights and other assets on August 31, 1932, and that the bond issue of Beauharnois Light, Heat & Power Co. for $40 millions bore date of January 1, 1933.

The caveat is regarded as a warning to anyone who bought bonds of any issue that he did so at his peril. His only recourse, if Transportation & Power succeeds in the suit, it is urged, is against those who sold him the bonds or who participated in the sale in any way.

What Defects?

Some advisers go further and say that such suit can be instituted at any time if promises implied in the following paragraph taken from the prospectus on which $15 millions of 1st mortgage bonds were sold, have not been fulfilled:

"Messrs. Meredith, Holden, Heward & Holden . . . . has expressed the opinion that the titles of the company to the properties and rights so examined by them are satisfactory except for certain imperfections of title which they state can be and are now in the process of being remedied and except for certain other imperfections of title which in their opinion are only of minor importance."

It is argued by some that the "imperfections of title" referred to may include the caveat taken by Transportation and Power against the properties of Beauharnois Light, Heat & Power Co. In such case it would be argued that bondholders had been notified there was an imperfection of title and they had therefore no recourse against banks or bond houses. On the other side it is pointed out that the prospectus states that "certain imperfections of title can be and are now in the process of being remedied." Such a description, it is contended, is not true with regard to this action of Transportation and Power or to the caveat filed against the property.

Was Suit Not Mentioned?

If the view is taken that the prospectus does not refer to the action or caveat of Transportation and Power, bondholders are told they can claim that the prospectus misrepresents by omission of a cardinal fact. It is stated that this is not simply an action against R. O. Sweezey, Newman, Sweezey & Co., and Beauharnois Light, Heat & Power Co. for monetary damages on account of breach of contract. The apparent objective of Transportation and Power is to get all the shares of Beauharnois Light, Heat & Power Co. It is within the company's power to claim afterwards if it is successful that the bonds are valueless because they were issued to the public after a caveat existed on the property. Whether or not the Courts would sustain the claim cannot be stated ahead of time but as long as the possibility exists, some are urging that a bondholder should have redress because he was not told.

Caveat Not Indexed

A peculiar thing about the caveat referred to is that it was filed on August 31, 1932, but it was not indexed. Thus Meredith, Holden, Heward & Holden, who gave an opinion that titles were satisfactory except for cases noted in various schedules were probably perfectly innocent in saying there was no serious cloud on title because they would find no evidence of the caveat in a search of records. That possibility is recognized but lawyers of Transportation and Power have stated that copies of the caveat were sent to all who were in any way concerned with the company, to the bankers, to the bond houses, to Beauharnois Light, Heat & Power Co., to members of provincial governments and even to Hon. C. H. Cahan, Secretary of State, because the Dominion Government had been drawn into the Beauharnois enterprise following the exposures of sums paid to political campaign funds.

They state therefore that the bond buyer in this case, with a caveat existing against the property, would have applied against him the full force of the legal maxim "Caveat Emptor" or "Let the Buyer Beware." All he could claim, it is stated, would be restitution from those who knew there was a chance of titles proving defective and did not inform him.

Lawyers not connected with the case, who have been asked what view courts would likely take of the claims of bondholders in the event of Transportation and Power being successful, seemed to think the courts would endeavor to find some solution that would take into consideration the actual money provided by the public and put into the project. They could not say or see on what grounds that solution would be arrived at but they felt that judges have always been sedulous to interpret the law so that essential justice will be done to innocent parties.

Let Buyer Beware

Others, however, point out that the law of agency in Quebec is in some respects different from that in Ontario. A special prohibition in the Civil Code of Quebec states:

"An agent employed to buy or sell a thing cannot be buyer or seller of it on his own account."

This is interpreted by Transportation and Power as meaning that a buyer from an agent buys at his own risk and that an original principal can follow his property through even to innocent holders for value. Whichever way bondholders look there is apparently therefore a fight ahead of them.

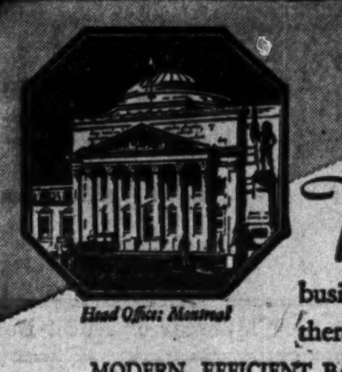
Denies Serious Menace

The Financial Post finds representatives of banks, investment dealers and companies defending suit advanced by Transportation & Power Corp. unwilling to discuss any phase of it while the matter is before the courts.

Unofficially they express the opinion that there is no serious menace to bondholders in the suit but will not discuss details until the court action is disposed of.

B. C. Timber Resources

A new survey of British Columbia's forest resources indicates a much greater supply of timber than was expected; the total stand of water timber being calculated at 263,467,000,000 feet.



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Canadian Advertisers Receive Little Light On Ottawa's Attitude

From Our Own Correspondent

OTTAWA.—With the Dominion Trade and Industry Commission Act in operation as of October 1, George H. Sedgwick, chairman of the new body is being besieged with enquiries by business men. The enquiries concern, in the main, three aspects of the new statute and relate chiefly to the manner of enforcement to be followed. They are:

What steps will be taken to enforce the Combines Investigation Act and, also, to legalize agreements between producers with respect to prices?

How will the new and drastic Criminal Code provisions respecting advertising be administered?

What manner of governmental machinery will be set up to administer the amendments to the new Food and Drug Act?

One Guiding Principle

One general principle governs all the operations of the new Commission and everything which has so far transpired indicates that business men are not aware of it.

The Commission is not a regulatory body. It has no legal authority to prosecute people who break new deal laws. It is purely an investigatory body and its reports go to the Attorney-General of Canada, which means to the Federal government. Any action taken under the Combines Act, either by way of prosecuting alleged combines or of exempting groups from this statute, must be taken by the government.

Advertising Procedure Different

When it comes to the Criminal Code provisions regarding advertising, this is not the case. Enforcement of this provision of the Criminal Code will be carried on precisely as the rest of the Code is carried on. As a general rule the Code is enforced by the police and the provincial attorneys general. It is open to any one to swear out an information against an individual or a firm, charging an infraction of the Code.

In practice only police officials and attorneys general do so. But in addition to the usual agencies of enforcement, the Trade and Industry Commission Act specifically instructs the Commission to see to the enforcement of these sections of the Code. Hence the apparent belief that only Ottawa will prosecute for infractions of the new advertising laws.

The general belief here is that only Ottawa will attempt to tighten up in this regard. But nothing in the law prevents others from taking action and, within the ambit of the Code sections directly concerned, one firm could legally proceed against another.

The Commission will not approve advertising copy in advance or otherwise: will, definitely, not look at a line of it. Advertisers must read the law and obey it. They will be given no advance guarantee of legality.

New Advertising Code

Old sections of the Criminal Code prohibiting publication in advertisements of matter which is untrue, deceptive or misleading still stand. These sections in the past have been pretty much of a dead letter and are likely to continue to be so. The important new section which was added in 1935 reads:

"Every person who publishes, or causes to be published, any advertisement containing any statement or guarantee of the performance, efficacy or length of life of any product for the purpose of either directly or indirectly promoting the sale or disposal of such product and which statement or guarantee is not based upon an adequate and proper test, shall be guilty" etc., etc.,

The official interpretation placed upon this section at Ottawa is that the crime consists in not having an adequate and proper test made prior to the publication of the advertisement. The following sub-section of the Code declares that a test by the National Research Council will be deemed adequate by the courts. In a word, advertisers to be absolutely safe should have a test made in advance of proclaiming their wares.

Food and Drug Amendments

As to the Food and Drug Act amendments, the Health Department at Ottawa is now concerned with the matter of enforcement and has asked for instructions from the Department of Justice.

There has always been a rigid Food and Drug Act in Canada but the 1935 amendments carry control to greater distances than ever before, particularly with regard to the labels of medicines and foods. The Commission enters this picture because the Food and Drug Act is one of the statutes entrusted to its care. In all probability the Commission will be used only to investigate complaints of improper labelling and in this regard would certainly be guided by the advice of the Health Department experts. Again, prosecution could only follow government decision.

Expect Reasonable Policy

With regard to all three matters—foods and drugs, combines and advertising—the general policy which will be followed by the Trade and Industry Commission will be reasonable, and non-inquisitorial.

In the second place the Commission will not be actuated by a desire to "crime" people. It will seek to bring about observance of the law on a voluntary basis. Because an individual has unwittingly contravened a law, he will not be recommended to the government for prosecution. He will be told that he is doing wrong and will be asked to do right.

Enforcement will be dictated by a belief that Canadian business men are honest and law-abiding and will gladly do all that is required of them. Of course, the attitude of the Commission will have nothing to do with Criminal Code proceedings launched by local police or by provincial attorneys general.

Slow Action on Combines

With regard to the Combines Investigation Act, the Commission is placed in the position of having to enforce a statute against combinations which work to the disadvantage of the public, and of being called upon to declare what combination, if any, should be legalized by the government. The first application for legalization came from plumbing interests of the Toronto district. Others are expected from the rubber industry, the electrical appliance people of Toronto and from various industries, identities not disclosed, in the Montreal district.

So far as legalizing combinations, the Commission proposes to proceed very slowly. It may be stated, without reserve, that only one in a hundred applications will succeed in winning the endorsation of the Commission. And as to what the government will do, it is agreed that much depends on the kind of government which emerges from the general election. In fact, there can be nothing definite with regard to the entire new deal programme until the outcome of the election is known.

WANTED
Men with Unhappy Feet

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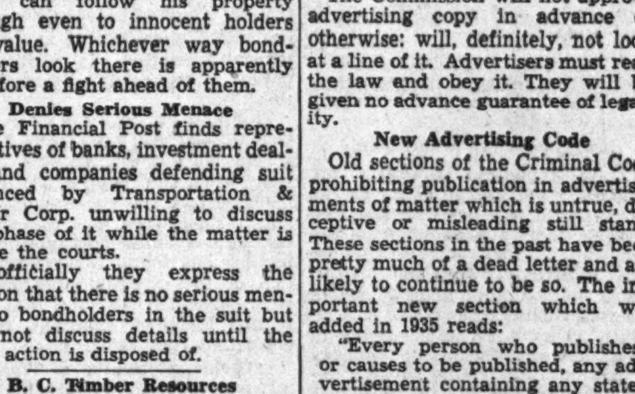

Comfort is usually sufficient — but comfort dressed in the latest style and finest quality — is — well — just Church Shoes for Men. Plain Balmorals, bluchers, grains and brogues are available at The Store for Men, in sizes 6 to 12, and widths AA to E. At 12.50.

Simpson's
STREET FLOOR

Lethbridge Pulls Through

Visitor Finds Alberta City Free from Financial Worry — Depression Causes Little Concern

By A. EDNA KELLS

In this day and age of depression and depression talk,—not to say depressing talk—a visit to the City of Lethbridge is bewildering—pleasantly bewildering. It is more than that. It is a good stiff tonic.

Lethbridge was recently celebrating its golden jubilee. The streets were crowded, the fair ground thronged with the happiest looking people I had seen for six years. If they had any cares they had dropped them by the wayside. Young and old alike were rejoicing that Lethbridge had attained her fiftieth birthday.

J. T. WATSON

Something To Investigate

Here was something to investigate. Lethbridge had experienced its ups and downs like the rest of the world. Apparently it was enjoying an "up" of some sort now when other cities were regarding the future pessimistically. This "up" I found extended back over a considerable period.

In the beginning the "up" grade took nobody's breath—but for all that it called for a stout heart. That was in 1913 when banks frowned and their stone fronts assumed a forbidding aspect when the name of Lethbridge was mentioned. In those days when Lethbridge's mayor sought loans to enable the city to cope with a trifling debt of some three million dollars incurred during optimistic boom days, bank officials received him unsympathetically.

Mayor 16 Times

The stout heart which Lethbridge found for this crisis, I was told, was that of W. D. L. Hardie, who was elected mayor in 1913, and 16 times altogether.

I sought Mr. Hardie to find out all about it.

"In 1913 Lethbridge was in the depths and couldn't borrow a dollar," he explained. "We were three million dollars in debt. I was mayor for 16 years and went through all that period begging to get loans. It was an awful time—always struggling with debt, always trying to wipe off debt."

"What about the time you interviewed the Bank of Montreal?" I enquired, having been told of one particular interview which seemed to mark the turning point in the situation.

Many Interviews

"I interviewed the Bank of Montreal many times," he said rather grimly. "One of the directors said, 'Mr. Hardie, we don't want your bonds. We want your money'.

"I then went to New York and got the money and after that I was able to get money until things were set going here."

"Setting things going" meant a régime of strict economies as well as careful expenditure.

"If things had been allowed to go on for three years—piling up debt as we did in 1910-'11-'12, we would never have been able to pull out," he said. "Why, we built 12-foot cement sidewalks where there were only two or three houses to a block!"

Through these difficult years Mr. Hardie's personal integrity went far toward holding the city of Lethbridge together financially.

Allowed Assistance

"If you say it's all right, Mr. Hardie," Sir Frederick Williams-Taylor would say, "We'll let you have the money."

It was a heavy responsibility to carry, but I learned Mr. Hardie carried on, made progress, and laid the foundation for the developments to follow after the city adopted the managerial system of government in 1928.

My next visit was to the city hall where from Mayor D. H. Elton, K.C., and City Manager J. T. Watson, I received some amazing information.

In Sound Condition

I found that:

Today Lethbridge is in exceptionally good financial condition, the best of all cities in the West, if not in all Canada. Although unemployment expenses have increased, Lethbridge is in infinitely better financial condition than it was before the depression came.

The mill rate has been reduced twice since 1931. Last year it was decreased slightly more than two mills, that is, from 45.64 to 43.36 mills—this in the face of increasing expenses and with $100,000 less assessment than last year.

Yet—this city of 14,000 inhabitants and 2,800 taxpayers has nearly as much property exempt from taxation as it has taxable property. Non - taxable property includes churches, schools, provincial and federal administrative buildings, and the R.C.M.P. barracks comprising four blocks in the heart of the city. For all these the city provides police and fire protection and the only revenue therefrom is the return from light and water supplied.

Share of Relief

Lethbridge's share of direct relief is 10 mills of her tax levy—approximately $90,000 for unemployment relief and $14,000 for other social services. Direct unemployment relief will cost the taxpayers about $32 each.

The city has actual control of only eight per cent of its revenue for the entire municipal administration, including that of the public utilities, after its bonded indebtedness is provided for.

Lethbridge's street railway returns show a yearly deficit of about $34,000. This includes debenture indebtedness. The actual deficit on operation is only about $2,000. Ninety per cent of the debenture indebtedness, which runs over a period of 30 years, will be paid off by January, 1942, and when this is paid the street railway will have cost the city $1,000,000—and be obsolete!

But in spite of all these problems and difficulties:

In the last six years, 38 miles of streets have been gravelled from current revenue! About two or three miles of storm sewer have been put in. Some ten miles of wooden water mains have been replaced by cast iron piping, and there has been tremendous expenditure on the electric light plant.

A bath house costing $4,500 has been built at Henderson Lake. Fifteen hundred dollars is spent annually on the maintenance of the exhibition grounds, and as the city owns the Y.M.C.A. building and the skating rink, certain expenditures are involved here.

Three Fine Parks

Lethbridge owns three fine parks. Estimates for the year 1935 show an allowance of $12,000 for the department looking after these, and $5,749 for the public library.

How has all this progress been accomplished?

Lethbridge's progress in the face of heavy odds is due, Mayor Elton says, to the managerial form of government inaugurated in July, 1928, and to the work of City Manager Watson with the co-operation of the council.

Lethbridge owns its utilities and these have contributed substantially to the general revenue—after taxes have been paid. All utilities are taxed on the same basis as other business property. The electric light plant pays $14,258 in taxes. The gas company, (a public utility) pays only $6,300 taxes although its revenue is as great as that of the electric light plant. This is accounted for by the fact that the provincial government allows the city to tax only the gas mains. House connections and meters are exempt. The provincial government also sets the mill rate and assessment on the Calgary Power Company's property—in this case 5 mills as compared with 43.36, the general city levy.

Electric Light Surplus

The $80,250 surplus from the electric light department, representing a 34 per cent profit, has kept the city on an even keel. Previous to 1929 the surplus from electric light was $42,000 annually. Since 1929 the approximate total of surplus has run close to $400,000 while expenditure for operation has decreased. This decrease is due to careful management and new equipment.

An engineer himself, Mr. Watson installed new electrical equipment valued at approximately $200,000 without engaging supervisor or inspector, thus saving close on $20,000.

From its waterworks Lethbridge makes a profit of around $20,000.

If direct relief costs were taken off the city, Lethbridge could carry on on the profits of her utilities without a cent of taxation.

Secured Bond Discounts

Lethbridge has taken up a large amount of her own bonds at a considerable discount. While debenture indebtedness is a little more than four million dollars, the city has about 65 per cent of this amount in its sinking fund because the greater part of the indebtedness is represented by her own bonds. Some of these were bought as low as $90.

The sinking fund too, lends a helping hand to the situation. In 1935 the fund contributed $20,000 out of its profits to help pay relief. In 1934, $20,000 was available from the same source. In 1925, $13,000 was forthcoming from actual profits—not from money withheld from the fund.

Under Mr. Watson's direction, the city is run generally on taxation of three mills. The large surplus from public utilities makes this possible.

In Difficult Situation

Though one would never guess it from this programme of development, Lethbridge is in a more difficult situation than any other city in Canada. Originally a mining centre, the mining business has drifted away. When C. A. Magrath submitted his original report on the possibilities of Lethbridge, he never mentioned wheat. Coal was to be the source of prosperity, the foundation upon which the city was to be built. Yet on March 15, 1935, the Canadian Pacific Railway closed down the largest mine in the district because the coal seam was too far from the mine shaft. This threw 750 men out of work. About 500 of these live in Lethbridge and 400 own their homes. Now nearly all are on relief.

At the end of December, 1934, $412,000 tax arrears were charged against Lethbridge homes, but an effort is being made to avoid a tax sale and to save these homes to their owners.

Ten-Mile Area

Lethbridge is spread over a sizeable area of the Prairies—ten square miles. However, 380 acres of this, a part of two sections of land which in boom days were surveyed and sold as city lots, have been resurveyed into five and ten acre plots. Water rights for these have been purchased from the C.P.R. irrigation, and nearly all this acreage has been sold to people who have made their homes there. Most of these people are making out well. They raise an enormous amount of garden stuff and small fruits, keep poultry, sometimes a cow, thus providing for family needs.

Twenty dollars per acre is the charge for the land and $30 per acre for water rights, this being spread over a period of ten years. Six per cent interest is charged.

The idea was evolved primarily for the benefit of men who worked in the mines for five months of the year and had seven months which they could spend on the land. There is no school in this community, but the city is arranging for the installment of a van service to fetch the children to schools.

Managerial Administration

Under the managerial form of government which has proved so successful in Lethbridge, the affairs of the city are administered by an appointed city manager and a council of seven elected by the people. The mayor is chosen from this group of seven. Members of the council are elected in groups of three and four for two-year terms. By this alternating system the council always has the benefit of experienced members. Mayor Elton had served as councillor since 1928.

City Manager Watson has spent most of his life in public utility work. He came West in 1902. Early in September, 1928, he assumed the position of city manager of Lethbridge, his appointment being made on the strength of his record.

He is a rare combination—a man expert in the financial and administrative side of his work as well as the technical, and to this fact his success is attributed.

Five Cents Per Home To Identify Streets

The Winnipeg civic utilities committee wanted to renovate city street signs. The report on the cost of the venture, however, nearly took its breath away. It was referred to a sub-committee.

According to figures supplied the committee, it would cost $1,500,000 to adopt the new system and make it applicable to the entire city, and that an assessment of five cents a month on every home would take care of the expenditure.

The plan calls for illuminated signs, two to three feet in diameter, at every intersection. Between 15,000 to 20,000 would be affected.

In some sections of the towns, home-owners themselves were finding it difficult to locate their own thoroughfares.

AUSTRALIA HOLDS NEWSPRINT DUTY

Earlier Report Saying Primage Lifted Corrected By Statement

From Our Own Correspondent

MONTREAL. — Canadian newsprint manufacturers' expectations of a stronger trading position in the Australian market, based upon the official report that the Commonwealth Government has removed the primage on newsprint, has been rudely jolted by supplementary information to the effect that the primage duty of four per cent on newsprint has not been removed.

Cabled advice to the Department of Trade and Commerce, Ottawa, indicated that all printing paper was to enter Australia free under the British preference. Information received since shows the primage duty has been removed on printing paper only, when used "for the production of books of a literary and educational nature, magazines and periodicals."

Book paper exports from Canada to Australia last year had a value of only $124,924, whereas the value of newsprint shipped was $3.8 millions. In the case of book paper, the primage duty is removed against all countries.

WHY

A TRUST INSTITUTION?

Man's natural desire to continue his support and protection of his family is the underlying reason for the existence of trust institutions.

Their work relieves the individual of the complicated tasks involved in the settlement and administration of estates. It brings the accumulated experience of years to bear on problems involving expert knowledge of investments, taxes and procedure.

Trust institutions, too, have continuing existence, are never ill or "out-of-town."

A talk with one of our trust men about our services may prove invaluable.

Crown Trust Company

EXECUTORS TRUSTEES — FINANCIAL AGENTS

393 ST. JAMES STREET WEST MONTREAL

Public Sales of Cattle

Sales of cattle at public yards in Canada during the first 34 weeks of 1935 were 439,335 head compared with 387,215 for the corresponding period of 1934.

B. C. Salmon Pack Up

British Columbia's salmon pack to Sept. 20 comprised 1,114,408 cases and exceeded that of the corresponding period in any year since 1930.

Government Bonds May Trap Holders

Diversity Along Well-established Lines Principle for Investors

By HENRY JAMES BIRD

There are only two kinds of business now—honest and dishonest, and the honest are by far in the majority. This applies to the securities business in the same relative degree as any other business but perhaps brokers have more opportunity to become dishonest if they so desire. Being in a position of trust is a sincere pleasure to some, a worry to others and a temptation to many, to which a few succumb.

The securities "racket" between 1925 and 1929 was made up of a very intricate combination of elements, included among which were:

1. Industry was making money fast and needed more capital for expansion.

2. Investors were absorbing new securities quickly. Bond houses were making money and looking around for new issues to sell.

3. Bond firms approached industrial companies and in some cases, actually sold the directors of these companies the idea of refinancing whether they needed more capital or not.

4. Conservative management refused to refinance unless more capital was needed for expansion. But many companies refinanced and sold out to the public with disastrous results.

5. Banks were advising investors to buy securities in which the banks had a financial interest, and were, in fact, competing for new issues with the bond houses.

Do you wonder that the investor never had a chance?

Public Wrong Again

Today the situation is the reverse; there are many outstanding security bargains and few new issues, except governmental, of which there are far too many.

These security bargains are being snapped up by a few wise and shrewd investors, but the vast majority of people have been once bitten and are twice shy. They are leaving their money in the banks at the very worst possible time, in the midst of a broad economic and industrial recovery.

As usual the public is on the wrong side of the market again. Instead of being out of the market in 1929, they were in up to their necks. Instead of being in with both feet now, they are "too wise"; they know better than to monkey with stocks and bonds after their experience in the last crash. So the money is piling up in the banks and the banks don't want it. Industry can't use it and the banks of Canada have over one billion dollars invested in government securities, because good loans are scarce.

Government Bonds

Conscientious bond salesmen and investment advisors are not recommending Dominion bonds to their clients on a 3 per cent yield basis or less, remembering that the long-term swing of interest rates is a constant cycle of peaks and valleys. The small investor may safely buy a few government bonds for liquidity. The large investor is turning to equities, including industrial stocks, both common and preferred, and mines.

As the demand for capital for expansion of business and industry increases, so the interest rates for government securities will rise and prices of government securities fall in proportion. Students of economic history will bear me out in this argument.

At the end of every depression, government securities are high—because nobody has any faith in anything else. As long as that confidence lasts then government securities will be in demand, until, as we have previously noted, industry is functioning normally and capital is again diverted back into industrial channels.

Avoiding Losses

The reason why so much investment capital is "lost" or foolishly invested is that the investment of capital can be loosely described as a science. The layman cannot master the principles of investment without years of study and actual experience. Even then, many investors with years of successful experience, finally fail miserably through a single mistake in judgment, and lose a portion or all of their capital.

Fundamental investment principles may be tabulated as follows:

1. Safety of principal.
2. Income.
3. Marketability.
4. Diversification.

Principles Detailed

Safety of principal is obviously most important. By this is meant the intrinsic security back of each bond or stock and the ability of the invested capital to produce a regular income and a sure return of principal.

Income or yield is to be desired, but it is a controversial question as to what a reasonably safe return is, in terms of a percentage per annum. In the case of each country in the world varying returns of interest or dividends may be received with a consistent safety factor, depending on economic conditions within that particular country.

In Canada, for example, the investor may seek an average return at the present time of say 5 per cent. As government bonds at present yield only 3 or 3½ per cent obviously one cannot have all his principal in Dominion obligations and obtain 5 per cent, so this can only be accomplished by diversification.

Marketability is of a varying degree of importance to investors, depending on their individual circumstances and requirements.

Most investors prefer ready liquidity in their securities. However, it is seldom realized that sometimes we pay a heavy premium for marketability. In the case of easy or hard times, those securities which are "listed" generally sell higher than unlisted securities, but the reverse is true in the case of a bear or depression market. Many retired investors do not need marketability, provided they have safety, and their list is well and carefully chosen at the start.

Diversification: In my opinion, based on some years of experience in good and bad times, no other single factor is of such importance to the investor. By diversification, we mean "not putting all your eggs in one basket." Only experience can really bring the significance of this factor home, either to the investor or the security salesman. "Safety" alone is not enough, we may have too much of a good thing. What is safe today is unsafe tomorrow. Conditions are always in a state of flux. Therefore, it pays well not only to have safety, but to look around for different kinds of safety in different places.

Obviously such a short summary will not suffice to exhaust such a vast subject as investment, but it may serve to stress fundamental principles which should never be lost to sight by investors or investment dealers. These principles and constant scrutiny of holdings are vitally important if the investor is to be successful in combatting the problems created by low yields in governmental securities.

This is the last of three articles by Mr. Bird who is a partner in a Vancouver investment firm.

Great Lakes Paper Company

Limited

Adjourned Bondholders' Meeting, October 14, 1935, at 11 a.m. at King Edward Hotel, Toronto

Persons having certificates for the deposit of bonds with the Committee under the Deposit Agreement of July 15, 1931, are reminded that the only persons who can be recognized under the Court's Order in respect of such deposited bonds are the persons who are named in the certificate of deposit and who, therefore, appear on the register of the holders of such certificates.

Therefore, if your certificates do not now stand in your names, you will be unable to act in person or by proxy at the meeting on October 14th next unless either you have the certificates transferred into your names or obtain proxies from the persons in whose names the certificates of deposit now stand.

All parties interested in the meeting are reminded that the Court's Order also provides that proxies must be bondholders except in the case of Corporations, where the proxy may be an officer of the Corporation.

National Trust Company

Limited

Receiver and Manager

REGARDLESS of the season—nature is forever challenging the stability of roofs. Prepare now to meet winter's ravages by having a Barrett Roof Inspector go over all the flat roofed buildings under your charge. Every detail will be carefully checked. Then, an unbiased report of the true condition of the roof and recommendations will be submitted to you. *It will cost you nothing.*

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Investment Trends

Inflation Begets Inflation

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Breaks in Stock Prices Transient

Inflationary influences are showing signs of becoming active. The impulse provided by the threat of war may be the spark that will light an inflation bonfire. The huge American credit base is an inflationary foundation for higher stock prices.

Fears of war and hopes of recovery play on stock market psychology alternately. As often as war fears are calmed, share prices display their inherent strength. This is based on growing international recovery.

Canadian and American stock market averages have recently worked toward low points. Intermittent recessions of prices, however, do not mean reversal of the long-term upward trend.

Margin calls were few after the recent set-back. Distress selling is absent. Investment buying remains a basic source of strength.

American advices from European sources state the conflict in Ethiopia will be localized; that the European political crisis will be short. Mussolini is expected to compromise after completing military movements that can be capitalized.

Inflation at Work

SPREAD of inflationary tendencies on an international scale has had little attention recently. Enormous bases exist for credit expansion and there are signs that these monetary foundations may be coming into use.

There has been an upward trend in world commodity prices for some months. It has become marked recently for wheat and copper. This is partly due to the immediate influence of war fears. But the broad upward price trend is deeper rooted in recovery of business and demand for raw materials and in the amplitude of credit to finance expansion.

Upward movement of commodity prices based on militarist activity is important in that it may provide a major impetus to start the inflation ball rolling.

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Course of Inflation

IMPORTS of gold into the United States form a pointer to the inflationary trend there; which would naturally have reflection in Canada. The gold is coming out of hoards, abroad, into U. S. banks. That is, it is "unsterilized," by going where it may be used as a base for credit. Whaley-Eaton Service, Washington, states:

"The Federal Reserve Board ... has not even considered the inflationary influence of gold imports. A few years ago, the movement would have kept the Board up nights to formulate methods of 'sterilization.' Nothing whatever has been done to devise a 'control' programme in the event of inflation breaking loose."

A natural expectation has been that a post-depression inflation would result in a boom of stocks on this continent. There can be little doubt that rising commodity prices contribute to better business and increased profits, which, after all, are necessary to justify a rise of securities.

Higher prices, by encouraging greater production, tend to defeat themselves. Still, widespread recovery can raise individual and corporate purchasing power sufficiently to allow maintenance of a higher level of commodity prices than has prevailed in the depression years.

Given even moderate recovery in commodity prices, and continued industrial revival, the large credit base in the United States could easily develop into an instrument to raise stock prices, perhaps violently.

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Recovery and War

STABILIZATION of currencies as a requisite of international business recovery is also getting little attention. Governor Montague Norman, of the Bank of England, points to the flow of gold to the United States as a barrier to resumption of the gold standard. But the Westminster Bank, one of Britain's "big five," avoids stabilization in stating:

"There is no doubt that economic recovery is both continuing and spreading over a wider area. More prosperous times are gradually returning, and their return will do more than any other single factor to remove the obstacles which still impede trade and hence prolong depression in many countries."

Every time American and Canadian stock market psychology veers from the fear of war's consequences, share prices resume their former indications of underlying strength. Progress toward better times is the basic influence toward higher stock prices.

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Moves of Averages

ALTHOUGH the industrial stock average of the Montreal Stock Exchange has been flirting with the year's lowest figures, it must be remembered that the lowest prices this year compare favorably with levels of 1932-34. Low average of industrials was 56.1 this year.

Toronto Stock Exchange average for industrials touched a low of 97.9 this year, far beneath the current figure. Recent fluctuations have been away from the high of 114.74, but have been in no danger of threatening the low record for the year.

Canadian stock prices have shown a tendency to reflect the peculiarly favorable circumstances affecting basic industries in this country. Dollar wheat and improved prices for other farm products and also for base metals brighten prospects for better industrial conditions in Canada. These factors have served to keep to a minimum the pressure of liquidation which would ordinarily have been expected to come from the recent set-back in Wall Street.

There has been some nervous watching of the Dow-Jones averages of New York stock prices recently. Weakness of rail shares carried the average for same as low as 32.54, a level which the seers consider a danger signal to this year's advance. Industrial averages, however, have remained sufficiently lofty, above 128, to ameliorate fears emanating from the weakness of railway shares.

Even if there were a more extended interruption of the intermediate upward trend which has been evident since July, 1934, it would not necessarily signal a reversal of the major upward trend that has been under way since 1932.

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Stock Holders

COMPARATIVELY few margin calls developed from the recent slump of stocks based on the first shots of Italy's campaign in East Africa. Investors are more cautious than they were in 1929 and are buying securities outright or on virtually invulnerable margins. This is shown by the low levels of call loans. Today's stock buying is largely investment buying.

Investors who have large profits made in the past three years are reluctant to sell stocks that are still giving satisfactory yields. "Where else," they say, "would we put the money?"

This view is emphasized in the action of American investment trusts for the quarter ended Sept. 30. In general, they have increased holdings of common shares. The trusts appear to be favoring stocks of companies in durable goods industries, which have enjoyed only small recovery from the depths of depression. This action is based on the opinion that such companies will get more than the average share of any more complete economic recovery which may be coming. Investment trusts are buyers, not liquidators of common stocks.

C. P. R. Revenue Records Big Gain

From Our Own Correspondent

MONTREAL.—Traffic earnings of the Canadian Pacific Railway from September 21 to September 30 mark the largest recovery experienced by the company for some time, revenue being 40 per cent greater than for the corresponding period of 1934.

Operating revenue for all of last month totalled $13,445,000, as against $12,042,000 in September, 1934, an increase of about 11½ per cent. This is the largest September total reported by the company for any year since 1930 and is the largest return reported in any of the last 44 months.

Expectations are that the net operating revenue for the month will show an appreciable increase and go a long way toward checking the decline in revenue reported up to the end of August.

Investment Notes

Rogers Majestic

ROGERS Majestic Corp. common shares have fallen this year from a high of 9 to below 6. Yet actual volume of business has been growing ever since the fiscal year began on April 1. Latest report shows September business three times the level attained in September, 1934, which in turn had been double the business of September, 1933. This year's sales increase may, at long last, mean profits, because prices are higher.

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Canadian Celanese

OPERATIONS and earnings of Canadian Celanese this year to date have been better than those for the corresponding period of 1934, according to a statement issued by Dr. Camille Dreyfus, president of the company. Last year Canadian Celanese reported a net profit from operations of slightly better than $2 millions, an increase of about $200,000 over 1933. After taking care of all senior charges, earnings were $16.72 a share on the preferred stock and $3.49 on the common.

Expectations are that the directors will take some action in the near future in regard to a dividend on the common stock. Under the reorganization plan carried out late in 1934, the accumulated dividends on the preferred stock were funded by the issuance of income funding rights. Certain conditions have to be complied with by the company before it can pay a dividend on the junior stock, but it is understood that the company is in a position to meet these requirements.

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Simpson's Pays More

SIMPSON'S LTD., preferred stock dividend of $1 a share is payable on Nov. 1. In January last market valuation of this stock was 90 and is now 69. At that time hope was high that increasing revenues would enable the company to pay at the full rate of 6½ per cent. In 1935, $4 a share is being paid, compared with $2 a share in 1934. Results for the year depend largely on Christmas business, but are expected to cover the dividend payments, despite some erratic weather to date.

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Lake St. John Power

OPERATIONS of Lake St. John Power and Paper Co., one of the constituent companies of the St. Lawrence Corp. though managed independently, were on a basis of over 90 per cent during September, as compared with 85 per cent of capacity in the corresponding month of last year. Bookings for October are at capacity. The increased operations in the last month are largely seasonal.

There has been no official word from the directors as to when the company will make another payment of interest on its first mortgage bonds. It is understood that no action will be taken until some time next February.

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Imperial Tobacco

CIGARETTE sales of Imperial Tobacco Co. of Canada and other manufacturers, for 1935, are running well ahead of the 1934 returns. According to government figures, the apparent consumption in the first eight months of this year was, in round figures, 3,399,134,000, an increase of 266,000,000 over the same period in 1934. As Imperial Tobacco handles approximately 70 per cent of the tobacco business in Canada, the government figures would indicate that the company has experienced a satisfactory increase in volume this year.

Future of Great Lakes Paper Will be Decided on October 14

If Sale of Assets is Deferred Again, Property May Enter Indefinite Period of Receivership Like Price Bros.

Unless the assets of Great Lakes Paper Co. are sold by vote of bondholders at their adjourned meeting Oct. 14, it is not improbable that the company will remain in receivership indefinitely. It has been in receivership since 1931.

Great Lakes would then become another Price Bros. with settlement of the position of bondholders deferred, as the lawyers have it, "sine die."

To avoid this possibility, which it considers undesirable, the bondholders' committee will make a strong effort to have one of the five offers for the assets accepted by the meeting on Oct. 14.

Quorum Available

The quorum requisite for sale of the assets, half the $10,000,000 of bonds, will be represented at the meeting Oct. 14. The original meeting Sept. 22, when four offers for the assets were presented to bondholders, was adjourned partly because a quorum was lacking. At the meeting Oct. 4, $4,790,000 of bonds were represented, and it is understood that there were enough proxies "in pocket" but not officially tabled, to make a quorum.

The adjournment from Oct. 4 is brief, 10 days, chiefly to give bondholders a final opportunity on Oct. 14 of taking or leaving the Gefaell-Aldrich offer favored by the bondholders' committee. The two-score publishers behind this offer wish to arrange for newsprint tonnage before Oct. 15. Although the offer is good up to Nov. 15, 1935, it is understood that definite acceptance or refusal is desired of the meeting on Oct. 14.

Fifth Offer

A fifth offer to buy assets of Great Lakes Paper Co. was the major event of the meeting Oct. 4. This was a surprise. Otherwise, the proceedings consisted of modification and clarification of the four offers previously received.

R. S. Robertson, K.C., of Faskin, Robertson, Aitchison, Pickup and Calvin, Toronto, presented the tentative fifth offer.

Said he: "We represent responsible interests who instruct us that they are prepared to make an offer for the assets of Great Lakes Paper Co. They require only a little time, say two or three weeks, in which to complete the proposal."

Summary of Proposal

He submitted a memorandum indicating the "general nature" of the proposed offer, subject to changes. As summarized by The Financial Post, it follows:

His principals propose to form a new company, which, as consideration for purchase, would issue its securities as follows:

(a) To the bondholders:

$2,000,000 of prior lien 5 per cent 35-year bonds with a one per cent cumulative sinking fund commencing immediately.

$4,000,000 general mortgage bonds with interest at three per cent for three years plus an additional two per cent if earned, and thereafter five per cent. This issue is to mature in 40 years and has a sinking fund of one per cent starting at the end of three years.

$4,000,000 class A shares (80,000 shares of $50 par value) to be preferred as to assets and rank equally with class B shares for dividends and redeemable at par. It is the intention that during the years 1936 to 1945, inclusive, dividends shall be paid to the full extent of available earnings after charging depreciation at $300,000 per year and so far as in the opinion of the directors is consistent with the best interests of the company. Class A shares are to elect a minority of the board of directors.

(b) Unsecured creditors are to receive $500,000 (10,000 shares) of class A stock which is in addition to the amount mentioned above.

(c) The interests making the offer are to receive all the class B or common stock (90,000 shares) in return for subscribing $500,000 of new capital. The class B shares to rank equally with the class A as to dividends but to be deferred as to capital or assets.

Tonnage Proposal

This group agrees to provide sufficient orders for newsprint at the market price during the period from 1936 to 1945, inclusive, to ensure the company, with tonnage otherwise available, a minimum of 75,000 tons per year, with provision for increasing this minimum as the volume of the production for the industry generally increases.

(One bond representative told The Post that the time required by these offerers would have the effect of eliminating other bids due to procrastination.)

Changes in Offers

Only the offer of Canadian International Paper Co. has been left unaltered. Modification of the other three original offers are given in the following:

1. John E. Gefaell and Lynn E. Aldrich:

This group amended their original offer by adding that the proposed new company may provide for creation and issue of $1,000,000 of 5 per cent, 10-year, prior lien bonds to be issued and sold as the directors may determine to provide additional working capital. The one class C management share has been eliminated and John E. Gefaell has agreed to devote all his time to the new company if it is required of him. The offer expires Nov. 15.

(The major modification is provision of additional working capital. This is the ground on which the original offer was criticized. Unless the Robertson group brings forward an unexpectedly favorable offer it is understood that the bondholders' committee will recommend the Gefaell-Aldrich proposal for acceptance on Oct. 14).

Second Alteration

2. The Dominion Bank and The Continental Illinois National Bank and Trust Co.:

By way of amendment and definition, this group stated, in part, as follows:

(a) Holders of the $5,000,000 general mortgage bonds are to be allowed to name two directors.

(b) In place of 50,000 shares of no par value preference stock, it is proposed to issue $5,000,000 of two per cent, 50-year debentures. Failure to pay interest on these debentures is not to constitute default, but any unpaid interest is to accumulate and become payable on or before maturity. No dividends may be paid on the common stock while any interest whatever is in arrears.

(c) With regard to the lease, this is to be for any period from 10 to 20 years from Jan. 1, 1936 as the bondholders desire. Crown dues and taxes on lands not contributory to mill operations will not be covered by the lease but will remain with the lessor company for disposition. The increase in rentals mentioned is defined as 20 per cent of any increase in the general contract market price for newsprint.

(This refers to a major phase of the offer. It is proposed to lease the property at minimum rates. Originally the proportion by which the rental would increase with any rise of newsprint was not stated).

(d) The organization of the new company and the details of the new securities must satisfy the legal representatives of both the banks and the bondholders' committee.

Depreciation and Principals

(e) With regard to depreciation it was stated: "We would expect normal depreciation to be provided in an amount satisfactory to the representatives of the bondholders."

(This "definition" is in response to a criticism that the provision for depreciation was lacking).

(f) The letter submitted by this group had the following to say regarding tonnage:

"The lease we are negotiating, contemplates shipment to at least three responsible publications geographically located to take full advantage of water transportation and with tonnage requirements greatly in excess of the productive capacity of the Great Lakes mill."

(It has been expected that the names of principals behind the banks' offer would be disclosed. The foregoing assurance, however, was all that was revealed in this connection. Hearst newspapers is the guess).

3. R. O. Sweezey & Company, Limited:

(a) This company now proposes to create a five per cent first mortgage bond issue: authorized $6,000,000 of which $5,000,000 would be issued. Other provisions of the issue to be as stated before.

The amount of the five per cent preferred stock is to be $6,000,000 authorized, all of which would be issued to bondholders.

Of the authorized capital of the new company, bondholders are to receive $4,000,000 of the first mortgage bonds and all the new preferred. The sponsors of the offer agree to purchase $1,000,000 of the first mortgage bonds and all 40,000 common shares for $900,000. A board of seven members is to be elected, four of whom are to require the approval of the bondholders' committee. The preferred shares are to elect four of the new board if dividends paid are less than $5 per share and otherwise three.

Tonnage Statement

(b) With regard to contracts the following statement is made:

"We are agreeable that you should make it a condition of your acceptance of our offer that we evidence to you and to the bondholders' committee the capacity of the proposed new company to operate throughout the calendar year 1936 at an average rate of production of not less than 75 per cent of the rated capacity of the mill."

(Most serious criticism of the Sweezey offer was that no newsprint tonnage was offered. Hence the statement on contracts).

For details of the four original offers and comments on each, readers are referred to The Financial Post for Sept. 28, 1935.

Investment Service

With offices in the principal cities of Canada, as well as constant communication with New York and London, our organization is efficiently equipped to render broad investment service.

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Wood, Gundy & Company Limited

36 King Street West, Toronto

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Quebec Power Companies Bondholders!

A mass meeting of all security holders of Gatineau, MacLaren, Beauharnois and Canadian Hydro Electric will be held at the King Edward Hotel, Toronto, on October 16th, 1935, at 2 p.m., for the purpose of protecting the general interest of bondholders, and to elect a Protective Committee.

Send your ablest representatives.

E. V. TILLSON, Tillsonburg, Ontario, Chairman.

I. E. WELDON, K.C., 74 King St. East, Toronto, Secretary.

Quebec Power Revenue Takes Turn for Better

From Our Own Correspondent

MONTREAL.—Earnings of Quebec Power Co. have taken a turn for the better of late and though it is understood that returns for the full year will not equal those for 1934, no change in the dividend is expected.

Revenues from residential and commercial services were substantially lower last year as a result of the rate reduction granted to customers in Quebec city under the terms of a new contract. In October an adjustment was made in the rate for districts outside of the city, though it did not have any material effect on earnings. The Quebec city change, however, did make a difference, but the dividend of $1 a share was covered by a margin of 22 cents.

Income Down in 1935

The full effect of the rate reduction became more apparent in the interim report on earnings for the current year. During the first six months net profit before depreciation and income tax was $393,187, compared with $486,771 in the corresponding period last year. This indicated that the dividend was not being earned after providing for all charges.

Since the middle of the year the revenue position has taken a turn for the better and though it is doubtful if the decrease in the first half will be made up, the understanding is that the directors do not contemplate any change in the dividend.

NEW METHOD EARNINGS GAIN; REDUCE BONDS

Preferred Dividends Well Covered After Depreciation

New Method Laundry Co., Toronto, is showing improved earnings this year and is covering all charges including bond interest and preferred dividends by a substantial margin.

Dividends on the $250,000 of 6½ per cent preferred stock are now being paid in full. Payments were resumed in 1934. Arrears amount to $11.37½ for each $100 preferred share, a total of $28,437. As yet no payment has been made on these arrears.

As a result of improvement in earnings, surplus stood at $25,292 at Sept. 7, 1935, compared with $2,831 at Dec. 31, 1934.

Bonds Reduced

Full effect of the gain in earnings is not reflected in working capital, which, however, had increased $2,000 up to Sept. 7. This is due largely to redemption of $11,700 of bonds and to the fact that the company increased its investment in its own bonds by $6,047. The total of bonds outstanding is $249,300. Deducting $13,000 of par value of bonds held by the company, the net amount is $236,300. The issue originally totalled $300,000.

Sales and earnings figures furnished to The Financial Post show a gain of $6,406 in net earnings available for depreciation, interest and dividends. Depreciation is being provided at about $30,000 a year Bond interest and preferred dividends are being paid in full. After all these deductions, net profit to Sept. 7, 1935, was $15,929, against $11,882 on a comparative basis for the same period of 1934.

Figures of the company follow:

Sales and Earnings to Sept. 7

	1935 $	1934 $
Sales	361,974	355,658
Building income	14,460	15,772
Cash discounts	274	201
	376,708	371,631
Less: Wages, exps.	313,028	314,357
Net earnings	63,680	57,274
Less: Depreciation, insur., bond int., pref. divs.	47,752	45,392
Net profit	15,929	11,882

Working Capital

	Sept. 7 1935	Dec. 31 1934
Current assets	90,599	84,084
Current liabilities	32,604	28,149
Working capital	57,995	55,935

Significant Investors' Index Numbers

1926 = 100

	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's.
No. of Securities	17	6	4	4	10	18	8	87	20	112
1929-34:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	76.3	24.0	68.5	27.3	44.0	30.5	38.6
Monthly Figures, 1935:										
January	129.4	14.0	71.5	181.5	75.8	134.2	106.8	129.7	50.4	90.5
February	126.4	13.4	67.4	197.7	75.6	131.3	106.1	128.8	49.4	89.6
March	117.0	11.6	56.0	176.0	74.1	126.5	101.6	125.6	45.1	86.1
April	119.4	11.1	56.9	178.6	73.1	125.1	99.6	130.8	43.8	88.5
May	121.9	10.8	59.9	211.7	70.3	127.8	102.4	144.4	44.4	96.8
June	118.6	10.5	58.4	217.9	67.2	127.0	104.7	145.2	45.0	97.1
July	122.2	10.6	57.4	210.6	66.7	128.5	116.7	143.8	44.7	95.5
August	122.1	12.0	59.3	210.0	65.5	130.1	122.9	146.1	47.7	98.2
September	118.7	12.4	61.2	206.6	61.8	128.7	126.5	147.1	46.3	97.5
Weekly Figures, 1935:										
October 3	103.4	9.7	72.3	162.1	71.7	123.2	92.0	119.9	50.1	94.7

*High and low of years from 1929 to 1934 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Oct. 8	107.74	101.21	93.04
Oct. 7	107.76	101.14	93.23
Oct. 5	107.53	100.40	93.21
Oct. 4	106.79	99.62	91.92
Oct. 3	106.37	99.14	90.13
Oct. 2	105.88	99.03	89.72
Month ago	108.83	103.69	91.98
Year ago	——	Holiday	——
High, 1935	114.74	123.68	103.99
Low, 1935	97.90	96.70	80.83

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Oct. 8	58.9	56.0	56.9
Oct. 7	59.2	56.0	57.0
Oct. 5	59.2	55.7	56.8
Oct. 4	59.0	55.3	56.5
Oct. 3	59.2	55.1	56.5
Oct. 2	59.2	55.5	56.7
Month ago	60.9	58.9	59.6
Year ago	61.3	54.7	56.9
High, 1935	64.2	63.1	63.0
Low, 1935	56.1	56.8	56.1

C.P.R. to Abandon Part of Kettle Valley Railway

From Our Own Correspondent

MONTREAL.—The Board of Railway Commissioners have granted application of Canadian Pacific Railway Co. for leave to abandon a portion of the Kettle Valley Railway in British Columbia. The portion of the Kettle Valley line which may be abandoned is known as the North Folk Subdivision of the C.P.R. extending from Westend at mileage 95.9 on boundary subdivision to Archibald, a distance of 17.4 miles.

John Gordon Retires, McTaggart, Hannaford

From Our Own Correspondent

MONTREAL.—Announcement is made of the retirement of John Gordon, from the firm of McTaggart, Hannaford, Birks and Gordon Ltd., Montreal investment dealers. The firm, which maintains offices in Montreal and Toronto, will continue its business under the same name.

Industry Switches on Still More Power

Keeping pace with the increasing tempo of business, the electric industry in Canada is operating at a new high level. Since 1926 the output of electric power has nearly doubled, and present demand is 10% greater than last year.

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Bonds

Governm't Issues Recover From Lows; Company Bonds Erratic

Recovery from recent low levels continued from gilt-edged government bonds in the week to Oct. 8. Western provincials and municipals were quiet.

Corporation bonds moved erratically. Selective movements in these issues indicated investment opinion of developments for individual borrowers.

The recovery of gilt-edged bonds was mostly fractional. It carried the Financial Post daily averages up nearly a point in the week. This was based partly on firmness of government securities in London and New York. The recovery was also attributed to return of confidence owing to the absence of political disturbances in Canada.

Corporation Issues

Among corporation bonds, high quality public utilities and industrials were advanced to prices fractionally above those at the first of the month. This was true of Bell Telephone, B.C. Telephone and Ottawa Light 5's.

Issues affected by the Ontario Hydro contract question dropped sharply on reports that the contracts will be cancelled. Losses ranged up to nine points in the case of Maclaren-Quebec Power 5½'s which dropped well below 60. Beauharnois, Gatineau, Ottawa Valley and Calgary Power issues were softened by the Hydro influence.

Massey Harris 5's dropped below 85 bid because of the disappointing reversal in the company's business due to unsatisfactory crop conditions since July.

Western Provincials

Manitoba and Saskatchewan bonds have been the chief sufferers in recent movements of western provincial issues, as shown below:

Western Provincial Bonds

	Bid Prices Oct. 7	Sept.30	Aug. 31
Alberta 6% '47	96	96	97
B. C. 6% '47	100	101	100
Manitoba 6% '47 ..	103½	103	106½
Saskatch. 6% '52 ..	100½	100	105

Manitoba and Saskatchewan have lately been regarded as the most creditworthy of the western provinces. Although bonds of these two provinces have recently dropped most, they also show signs of earliest recovery.

Trend of the gilt-edged market is indicated by The Post's averages which follow:

Average Yield and Price for Seven High Grade Canadian Bonds

1935	Yield %	Price $	1934	Yield %	Price $
†Oct. 8	3.997	107.62	Oct. 9	3.853	109.83
Oct. 7	4.024	107.39	Oct. 6	3.854	109.81
Oct. 5	4.041	107.25	Oct. 5	3.849	109.89
Oct. 4	4.060	107.04	Oct. 4	3.847	109.96
Oct. 3	4.090	106.64	Oct. 3	3.846	109.99
Oct. 2	4.083	106.75	Oct. 2	3.834	110.10
Oct. 1	4.063	106.96	Oct. 1	3.827	110.17
Sept. 30	4.077	106.79	Sept. 29	3.814	110.32
Aug. 31	3.637	111.54	Aug. 31	3.740	111.03
Year's	3.367	114.97	Year's	3.373	115.00
Range	4.097	106.57	Range	4.517	102.54

B. C. PULP SEEKS EXTENDED HELP OF BONDHOLDERS

Deferment of Obligations Sought in Order to Maintain Position

From Our Own Correspondent

MONTREAL. — Trustee for the holders of the 7 per cent general mortgage bonds of British Columbia Pulp and Paper Co. has called a meeting to be held in Montreal on October 31, to consider resolution providing that the accumulated unpaid interest due from May 1, 1932, to November 1, 1934, be deferred until November 1, 1940, with interest at 7 per cent on the unpaid interest.

The bondholders are also being asked to defer interest due from November 1, 1935 to May 1, 1937, until November 1, 1940, with interest at 7 per cent on the unpaid interest.

In each case the company reserves the right to make pre-payment from time to time on 30 days' notice.

Another resolution to come before the bondholders is to waive and cancel the sinking fund payments falling due from 1938 to 1940; payments to be resumed on November 1, 1941.

Meeting of Senior Bonds

Holders of the 6 per cent first mortgage bonds will meet on Oct. 31 to consider a proposal delimiting the restrictions imposed on the company in regard to certain payments. At present, the company cannot pay any dividends on its capital stock, purchase additional fixed assets, or pay interest or sinking fund charges on its general mortgage bonds, if such action were to reduce working capital to less than $1 million. The holders of the senior bonds will be asked at the meeting to lower the minimum amount of capital which the company must maintain to $750,000.

Bond Tenders

St. Jean Vianney, Que., School Corp., Oct. 15, 5 p.m.—$85,000 of bonds dated Nov. 1, maturing serially 1936-60; $37,500 gtd. by Int'l Paper Co. and Quebec Gov't at 3½% or 4%, and $47,500 not so gtd. at 4½% or 5%. J. D. Bigue, sec.-treas.

Sherbrooke, Que., R. C. School Commission, Oct. 19, 4 p.m. — $150,000, 4% bonds, dated Sept. 1, maturing serially 1936-65. G. E. Begin, sec.-treas.

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Legare Bankruptcy Puzzle for Auditors

Trustee Shows Assets 42% Below '33 Audit of LaRue & Trudel

First statement of affairs of P. T. Legaré Co., Ltd., since it went into bankruptcy early this year has just been issued by George S. Currie, C.A., Montreal, trustee for the Quebec general merchandising firm.

Owing to confusion in the company's affairs, the initial statement as at April 4, 1935, has been long delayed. It shows a reduction in assets of $2.5 millions, or over 42 per cent, from the total reported at the end of 1933. The 1933 statement was certified by LaRue & Trudel, Quebec city accounting firm, and was signed by directors P. W. Fortier and Leo. L. Legaré. Joseph Herman Fortier, prominent Quebec entrepreneur, president of P. T. Legaré Co., signed the statement accompanying the 1933 balance sheet.

Despite the writing down of assets in the trustee's accounts, Mr. Currie states that further losses will be realized on some of the assets.

Investors' Outlook

For investors in the company, the outlook is still confused. First mortgage bondholders apparently stand to get something out of the bankruptcy. Whether or not any payment will be forthcoming for holders of the six per cent debentures is dubious. Judging by the trustee's accounts, holders of preferred and common shares will get nothing. The first mortgage bonds were sold by McLeod, Young, Weir & Co., Toronto, at 99 in 1927. The preferred shares were marketed by the same firm at $100 each with a bonus of three common for each preferred share purchased. The six per cent debentures were not offered publicly.

Money Mystery

Mystery still surrounds what actually happened to the $1,750,000 of hard money put into the venture by investors. Large institutional investors as well as small buyers have been losers in the Legaré failure.

One of the puzzling features of the bankruptcy is the disagreement of the trustee's carefully prepared statement with the large assets previously attested by auditors. The trustee's statement indicates that there was either a remarkable melting of values in 1934, or that earlier statements failed to make adequate allowances for deterioration in the company's position.

Certified for 1933

LaRue & Trudel, Quebec, auditors, certified the 1933 balance sheet, as follows:

"We have examined the books of P. T. Legaré Co. Ltd., for the fiscal year 1933. We have obtained all the information and explanations we have required.

"The amount of notes receivable has been duly verified in the course of the year, on Dec. 31, 1933, it is represented at the value shown by the books.

"We further certify that the above balance sheet is drawn up so as to show the exact and true financial standing of the company, according to the explanations and information received and as shown by the books as at Dec. 31, 1933."

J. A. LaRue, of LaRue and Trudel quoted above, was appointed, jointly along with G. T. Clarkson, as auditor of the Bank of Canada only this year.

President's Statement

J. H. Fortier, president of the Legaré firm, told shareholders that business was unsatisfactory in 1933, in his statement for that year. He also said however, that "with a reasonable recovery of business, your company can anticipate more favorable results in its operations for the year 1934." He gave no hint that there was anything amiss with balance sheet valuations.

Prominence of J. H. Fortier in business in French Canada is attested by his directorships in Banque Canadienne Nationale, Caisse d'Economie de Notre Dame de Quebec Canada Steamship Lines, Canadian International Paper Co., Quebec Power Co. and Shawinigan Water & Power Co. He is president of L'Evénement Publishing Co. operating the Quebec daily newspaper, L'Evénement.

Other Directors

Other directors of P. T. Legaré Co. were P. C. Falardeau, Leo L. Legaré, J. W. Fortier, all of Quebec; Herman Fortier, Montreal; D. I. McLeod, Toronto. Mr. McLeod represented McLeod, Young, Weir & Co. which underwrote the Legaré company's securities.

Responsibility of the directors in the sudden overturning of affairs of P. T. Legaré Co. in 1934, or in prior years, has not been brought into question by any action on the part of security holders. Many investors, however, are asking: "Why weren't we told about conditions earlier?"

The Legaré balance sheet for 1933 shows total assets of $6,922,143. Deducting depreciation reserve, assets were $5,921,383. This compares with $3,416,007 reported by G. S. Currie at April 4, 1935.

The 1933 balance sheet and the 1935 "statement of affairs" are not comparable. For purposes of illustration, however, The Financial Post has put the two sets of figures side by side, as follows:

Assets and Liabilities

Assets	*April 4 1935 $	†Dec. 31 1933 $
Cash	54,263	37,324
Special deposits	9,742	9,474
Accts. receivable	712,167	2,967,243
Security pledged	1,164,517	3,500
Deferred expenses	......	60,828
Invts. in subsids.	110,058	283,000
Inventory	485,394	779,603
Land, buildings	831,754	‡1,780,410
Equipment, net	48,112	
Goodwill	......	1
	3,416,007	5,921,383
Apparent deficit	362,505	......
Total	3,778,512	5,921,383
Liabilities		
Privileged creditors ..	131,116	......
Secured creditors	862,439	723,185
Mortgages payable ...	11,845	......
1st mtge. bonds	1,016,212	989,900
Ordinary creditors ...	916,900	817,013
6% debentures & int.	840,000	803,955
Preferred stock	......	616,400
Common stock	......	1,666,400
Surplus	......	304,530
Total	3,778,512	5,921,383

*Approximate statement of affairs as at date of receiving order, drafted by George S. Currie, Montreal, trustee.

†Balance sheet certified by LaRue & Trudel, chartered accountants, Quebec city, and signed April 18, 1934, by directors.

‡After deducting $1,000,760 depreciation reserve.

Liabilities have been classified by Mr. Currie in accordance with claims filed and the company's records. Questions have arisen, he says, "as to the validity of the form of transfer of certain security." And until the respective rights of the creditors have been definitely determined, the statement, as far as it shows the relative position, must be taken only as approximate.

Assets Explained

In explaining the asset position, Mr. Currie states that substantial losses are expected in collection of the $712,167 of accounts and bills receivable. Many of the accounts are old and overdue. All are small. They are included in the floating charge of the first mortgage bonds against all the assets of the company.

The $1,164,517 of security pledged to creditors consists largely of bills receivable. Substantial loss will be suffered in collection of the bills, states Mr. Currie. It is not expected that the total security will realize enough to liquidate the claims against it, which are shown among liabilities at $862,439. Bank of Montreal has the largest claim against this security, $784,673.

Investments and Inventory

As to the $110,058 shown for investments in, and advances to, subsidiaries, Mr. Currie is of the opinion that the reserve for the purpose is adequate to cover losses on realization.

The inventory value was determined from actual count and was priced at cost as shown by the company's records, Mr. Currie states. He adds:

"The inventory includes a small quantity of repossessed merchandise. The value placed on the latter merchandise is equivalent to the total credit allowed to customers by the company for goods so repossessed, less an allowance to cover certain merchandise which it may be necessary to return to secured creditors. In the ordinary course of business, a conservative practice would be to establish a substantial reserve to take care of depreciated values in old and obsolete stock included in the inventory."

The precise application of the last sentence is not made clear. Apparently it indicates that some of the goods on hand were out of date. It may also be applicable to the condition of the company's inventory prior to bankruptcy.

Cut Fixed Assets

Land and buildings are carried in Mr. Currie's statement at municipal assessment values, far below the figures of previous statements of the company. These are considered the chief security for the first mortgage bonds. The Currie statement reveals for the first time that two of the properties, in Bagotville and St. Jerôme, have been pledged to secure mortgages. Mr. Currie also states: "Question has arisen as to whether assets situated in certain locations are affected by the provisions of the trust deed."

Of equipment, Mr. Currie comments: "On forced sale it would be very difficult to realize any appreciable amount for this asset as much of it is old and of little value."

From the viewpoint of bondholders' chief comfort in the statement is the fact that, at least nominally, assets indicate values in excess of the amount of first mortgage bonds. The Financial Post is informed, however, that holders of first mortgage bonds will be more than pleased if they get even an approximation of 100 cents on the dollar out of the bankruptcy. This interpretation of the company's position does not augur well for ordinary creditors and holders of the six per cent debentures. The stockholders' position is considered well nigh hopeless.

CONSUMERS GLASS CALLING IN BONDS FOR REDEMPTION

Frank P. Jones' Enterprise Will Pay Premium on $1.2 Million

From Our Own Correspondent

MONTREAL. — Consumers Glass Co. has called for redemption on December 1 all of its outstanding 5 per cent series A first mortgage bonds at 103 per cent of their par value plus accrued interest up to that date. Normally these bonds would mature in 1948. Approximately $1.2 millions of bonds are involved in this transaction.

Originally organized as the Premier Glass Co., the enterprise was taken over in 1918 by the Consumers Glass Co., in which Canada Cement Co. held the controlling interest. When Canada Cement was sold to Wood, Gundy and Co. in 1928, this subsidiary was acquired by Frank P. Jones and associates.

Issued Bonds in 1928

Toward the end of 1928 Consumers Glass Co. made a public offering of $1.3 millions of its 5 per cent bonds through Wood, Gundy and Co. In addition the company issued privately $500,000 of 7 per cent cumulative, participating, preferred shares and 24,257 no par value common shares.

Little information has been made public by the company as regards its finances or earnings. All obligations in connection with the funded debt have been met promptly and last October an initial dividend of $2.50 a share was declared on the common stock.

There is no official word as to whether or not the company intends to redeem its bonds through a refunding operation or from its own resources.

Bricks Return

Laprairie Co. Reorganization Brings Back Control of Quebec Brick Enterprise to Cooksville Co.

From Our Own Correspondent

MONTREAL.—Financial reorganization of the Laprairie Co. Inc., brick manufacturers with operations centring in Quebec, has resulted in control by the Cooksville Co., according to official details made available in a letter from the president of the company to shareholders.

In 1932, the National Brick Co. of Laprairie carried out a financial reorganization which resulted in the replacement of a funded debt of over $1.5 millions by capital stock. In addition, and as part of the reorganization, the successor company, Laprairie Co. Inc., purchased from the Cooksville Co. its face brick plant at Delson, P.Q., together with that company's Montreal business and working capital, in consideration of $500,000 of Class A preferred stock and 74,643 common shares.

New Capital Set-Up

As a result of these transactions, the Laprairie Co. started out with an issued capital of $500,000 of Class A preferred, 6 per cent cumulative, with a par value of $100; $1,562,500 of 6 per cent cumulative redeemable Class B preferred with a par value of $100; and 99,066 shares of no par value common stock.

In addition, there were $500,000 of 6 per cent 20 year first closed mortgage bonds hypothecated with the Bank of Montreal to secure a loan, which at the end of 1934 amounted to $348,000.

Control Held By "B"

While the Cooksville Co. owned all of the Class A and the majority of the common stock, control of the company rested with the old bondholders of the National Brick Co. until May 1, 1934. Even after that date control rested with the Class B stock, as each share carried 10 votes, which was more than sufficient to outvote the Class A and common stock.

The financial reorganization did not bring about any improvement. In the last three years the company reported operating losses, while the working capital position steadily grew worse.

The Bank of Montreal, as holders of the first mortgage bonds, foreclosed on the property and the assets of the company were put up by the trustee for public auction on September 30 last.

Cooksville Interests Bid

Interests associated with the Cooksville Co. and also closely identified with the Laprairie Co. Inc., made arrangements to regain control of the property.

Assets of the Laprairie Co. were sold to a newly-formed company called the Provincial Brick Co. for $406,000. The credit of the Provincial Brick Co. was guaranteed by the Cooksville Co.

Little Left Over

The price paid at the sale represents a sum which was sufficient to discharge the privileged claims and such of the liabilities of the company as were secured by the hypothecation of its bonds, but did not provide any surplus either to take care of the claims of unsecured creditors or to make any distribution to either Class A or Class B preferred, or the common shareholders.

New Laprairie in Control

Property and assets acquired by the Provincial Brick Co. have been turned over to the Laprairie Co. Inc. (new company), and the latter has issued to the Cooksville Co., 7,500 shares of 6 per cent cumulative redeemable preferred stock of a par value of $100 each; 50,000 shares of no par value common stock.

In addition, the new company has agreed to pay the Cooksville Co. all costs and expenses, legal and otherwise incurred by the Cooksville Co. in the action taken by it in connection with the property it purchased, and for the purchase of claims of straight creditors of the old Laprairie Co. Inc.

Out of the 50,000 shares no par value common stock received, the Cooksville Co. proposes to distribute 15,625 shares to the holders of the Class B preferred of the old Laprairie Co., on the basis of one share for each share held.

Cooksville in Saddle

As a result of the somewhat involved transactions outlined above, the Cooksville Co. regains control of the old Laprairie enterprise, and all arrears of dividends on the Class A and Class B preferred are wiped out. In exchange for holdings of $500,000 Class A, 6 per cent cumulative preference stock, and 74,643 shares of common stock of the old company, the Cooksville Co. receives from the new company, $750,000 of 6 per cent cumulative redeemable preferred and 34,375 common shares of no par value. The latter represents a junior equity of 68 per cent as compared with 75 per cent in the old company.

The holders of the Class B shares in the old company, which at one time represented the funded debt in the original National Brick Co., lose voting control of the property and receive 15,625 shares of common stock of the new company, or 32 per cent of the junior equity.

Can People Afford $70,000 Trimmings?

In times like these can the people afford to spend $70,000 for trimmings?

D. A. McNevin, federal candidate in Regina, questions the expense. He claims that this amount, which he said was 15 per cent of the total cost of the new federal building at Regina, was "going into ornamental bronze and metal work." "Even $70,000 worth of bronze," he said, "will not make it sufficiently pleasant for the over-burdened people to pay for."

TORONTO PLANS BETTER BUSINESS BUREAU AT ONCE

Scrutiny of Financial and Business Practices Main Aims

Establishment of Better Business Bureau of Toronto, Inc., was unanimously approved last week at a meeting of conditional members.

Three main branches of activity for the new bureau were recommended by the organization committee, as follows:

1. Registration. Each member would be supplied with an insignia to denote his membership. This service would include registration of salesmen and solicitors of business for the protection of members.

2. Financial. Working with the Ontario Securities Commission, the bureau would aim to protect investors, and responsible firms in the financial and investment business. Reports on promotions would be compiled, and would be available free of charge to members.

3. Fair practice. This service would involve scrutiny of advertising, competition, exploitation of trademarks, and similar business practices.

Further Plans

Later, bankruptcy and special investigation departments might be established, in the opinion of the organizing committee It was recommended that at the outset the bureau personnel consist of a manager, a chief investigator, a junior investigator, and a stenographer.

An advisory council is to be selected by the newly-elected board of directors of the bureau. A manager will also be appointed shortly.

The initial directors of the project were elected as follows: Financial: Harold Franks, Osler & Hammond; G. W. Nicholson, G. W. Nicholson & Co.; A. M. D. McBain, Bank of Nova Scotia. Industrial: Byron Haddy, Canadian General Electric Co.; A. G. Pinard, Lowe Bros. Co.; J. M. deC. O'Grady, Pure Gold Mfg. Retail: Frank Coryell, Adams Furniture Co.; P. K. Heywood, Evangeline Shops; M. T. Ellis, Birks-Ellis-Ryrie Ltd. Public Utilities: H. J. MacTavish, Toronto Hydro Electric System. Publications: E. R. Milling; Bert Wemp. Advertising: J. A. MacLaren, MacLaren Advertising Co.

Subscribe $10,250

Provisional subscriptions of $10,250 from 225 subscribers have already been received. Now that establishment of the bureau has been decided upon, these subscriptions will be collected. Formation of the bureau comes as a result of efforts of an organization committee under the chairmanship of A. G. Pinard. The project was originally sponsored by the Advertising and Sales Club of Toronto, and has been in the formative stages under the direction of the organization committee for more than a year.

Court Appoints Trustees For Bankrupt Brown Co.

From Our Own Correspondent

MONTREAL.—Three trustees have been appointed for the Brown Co., $74 millions lumber and paper concern, in the first hearing of its petition for reorganization.

Chosen by Federal Judge Peters were: Orton B. Brown, Berlin, N.H., general manager; Rolland H. Spaulding, Rochester, N.H., former Governor of that state; and William B. Skelton, Lewiston, attorney.

The firm, which has extensive holdings in timberlands in Quebec, filed a petition last month for reorganization, declaring it was unable to meet interest due on approximately $21.4 millions of its bonds.

N. B. Power Board Plans Larger System

From Our Own Correspondent

MONTREAL.—Authority has been given by the New Brunswick Government for an expenditure not exceeding $85,700 to extend the facilities of the New Brunswick Electric Power Commission into the area between Newcastle and Doaktown.

The stretch of 47 lines from Newcastle to Derby Junction, Millerton, Blackville, and Upper Blackville, to and through Doaktown, passes through territory with 575 potential customers, exclusive of possible industrial power loads.

Williams, Partridge & Co. Personnel Rearranged

From Our Own Correspondent

MONTREAL. — Announcement is made by Williams, Partridge & Co. Ltd., Montreal investment dealers, that M. Lawson Williams, formerly vice-president, and H. Everett Dwyer, formerly secretary, have resigned from the company.

It is also announced that S. F. Hamilton Lane, a director, has been elected to the office of vice-president; Lieut. Col. J. Carlton Brown, has been elected a director and secretary, and Lyman E. Griffith, manager of the company's Hamilton Office, has been elected a director.

NO EXPANSION FOR B.C. PACKERS IN NEAR FUTURE

Cannot Be Done, Says Expert, Until Salmon Increase

From Our Own Correspondent

VANCOUVER.—Back of the recently announced plans for reorganizing B. C. Packers, Ltd., lies the fact that the salmon packing industry on this coast has been suffering for several years from over-expansion.

Too Much Gear

In a report just issued by George J. Alexander, deputy minister of fisheries for British Columbia, Mr. Alexander says:

"The limit of expansion imposed by the availability of raw materials has long been reached and further economic expansion need not be looked for until the supply of raw material (salmon) has materially increased. At the present rate of exploitation this cannot be expected in the near future.

"Notwithstanding the decrease in the amount of fish available for canning, expansion has continued. It is particularly noticeable in the increase in fishing effort measured by the amount of gear in the water in recent years. This enormous amount of gear has not increased the total production proportionately, again demonstrating, if further proof were necessary, the definite amount of raw fish available. As a result of too much gear, unit production costs have mounted out of all proportion to selling prices."

Mr. Alexander illustrates his argument by reporting that at one section of Rivers Inlet nets were increased from 900 to 1,800, with a proportionately lower catch of fish resulting.

Larger 1935 Return

Value of fisheries production in British Columbia should show an increase of about $1,000,000, according to present estimates, but market conditions continue uncertain. The halibut season has just commenced. Rough weather interfered with pilchard operations, and the percentage of sockeye packed during the early part of the season was light. Sockeye is the most valuable salmon packed in these waters.

Value of last year's fisheries production by species is given by government experts as follows: Salmon, $12,351,641; halibut, $833,829; herring, $628,982; whale products, $183,738.

The fisheries industry has $21,143,048 capital invested.

GOVERNM'T TO BOOST ALTA. LIQUOR PRICES

Wants to Bolster Treasury By $300,000 By March 31 Next

The Alberta government plans to boost its liquor prices in order to bolster up the treasury by some $300,000 by March 31, the end of the fiscal year. The Social Credit government looks upon liquor as a luxury and therefore thinks that the consumer of spiritous products in the province will willingly pay more for them.

Alberta's net profits from the sale of spiritous liquors have been gradually declining since 1929, when they were $2,661,048. In 1934 the net profits totalled $1,117,870.

With the increased revenue from higher liquor prices, the return to the government next March 31 should be around $1,417,870 providing the decline in sales does not continue.

Mimico Bondholders Form Protective Group

A protective committee for debenture holders of the defaulting town of Mimico, Ont., has been organized.

The committee urges debenture holders to deposit their securities with the depository, Sterling Trusts Corp., Toronto, or Regina, as soon as possible. "It is essential," it is stated, "that debenture holders be organized to take joint action on their own behalf."

The committee was formed in order to ensure protection of debenture holders in any scheme of refinancing which may be proposed for the town. The committee may not vote in favor of any plan without first giving depositing investors opportunity to withdraw their debentures. Members of the committee are A. F. D. Lace, C. H. Burgess, Toronto; Dr. S. S. Dickinson, Port Hope; C. H. Fitch, Hamilton; W. W. Foote, Kitchener, H. Vandervoort, 255 Bay St., Toronto, is secretary.

Man. Telephone System Reports Earnings Up

An increase of $104,000 is noted in the net earnings of the Manitoba Telephone system for the nine months ending Aug. 31. Net earnings amounted to $1,105,237 for the period.

Revenue for the nine months period totalled $2,110,103, an increase of $27,000 over last year. Expenditures totalled $1,004,865 of which $525,581 was applied to operation and $479,284 to maintenance. The sum of $825,991 of the net earnings was applied to interest charges. Receipts from radio showed an increase of $9,508 over the nine months period a year ago.

Canadian National Plan To Abandon Ontario Line

From Our Own Correspondent

MONTREAL.—Application of the Canadian National Railways for leave to abandon part of their L'Orignal subdivision between Hawkesbury and Hurdman's and the Clarence Creek spur between Clarence Creek and Rockland will be considered by the Board of Railway Commissioners on October 22. All the affected points are in Ontario and the total mileage the railway seeks to abandon is 61.2.

Fourth Period Loblaw Profits And Sales Up

An encouraging rise of profits as well as sales is reported by Loblaw Groceterias Co. for the four weeks ended Sept. 21. In each of the three preceding four-week periods, increased sales were reported, but in only one did profits gain and then for minor amount.

In the four week period ended Sept. 21, profits gained 6.91 per cent. Sales were up 5.89 per cent.

For the 16 weeks ended Sept. 21, total profits were 9.03 per cent below those for the same period in 1934. Sales, however, were up 2.56 per cent.

It was pointed out several weeks ago in The Financial Post that the company expected good autumn business and that there were possibilities of profits following the upward trend of sales. This is still applicable.

Comparative figures follow:

Loblaw Sales and Profits

Four weeks ended Sept. 21:	1935 $	1934 $	Incr. %
Sales	1,172,944	1,107,733	5.89
Profits	52,344	48,962	6.91
16 weeks to Sept. 21:			
Sales	4,500,914	4,388,772	2.56
Profits	181,131	199,115	*9.03

*Decrease.

UNDERWRITERS DENY LIABILITY IN WALKER FIRE

If Adjustment Not Made, Company Will Take Action in Courts

Insurance underwriters have denied major liability in the Hiram Walker and Sons fire at Peoria, Ill., last July. The fire destroyed the No. 3 rack warehouse and most of the contents.

The warehouse contained 80,000 barrels or four million gallons, of green whisky and it had just been built and filled when the fire occurred. It is believed that the amount of green whisky consumed has been entirely replaced in another warehouse just completed in July. Operations have not been hampered in any way.

More than 5 per cent of the contents were salvaged in an undamaged condition and the company put in claims on the remaining assets destroyed. The company has consulted eminent legal counsel in the United States and officers state that these advise that the company "has a just claim collectible in the courts."

"It is hoped," states Hiram Walker-Gooderham & Worts "that a satisfactory adjustment will be reached but, failing this, the company proposes forthwith to take such legal action as may be necessary to recover."

Earliest estimates of damage to building and contents were $2.5 millions. As a result of the salvage operations the actual claims are believed to total somewhat less than this.

Howard Smith Paper Working on Sulphite Mill

From Our Own Correspondent

MONTREAL.—Replacements and renovations now being carried out at the sulphite pulp mill at the Cornwall plant of the Howard Smith Paper Mills will involve an ultimate outlay of between $75,000 and $100,000. The principal job completed to date is the installation of a new screening system. Work is proceeding on a circulating system in the sulphite pulp department and it is expected that this feature of the work will be completed in the near future.

Power Corp. Reduces Number of Directors

From Our Own Correspondent

MONTREAL.—Application is being made by the Canadian Pacific Railway to the Board of Railway Commissioners for approval of two agreements entered into by the company with Canadian National Railways on October 1 last.

One agreement calls for the joint and equal use by the Canadian Pacific of the C.N.R. line between Cyr Diamond and Edmundston, in New Brunswick, and the other for the use by the C.N.R. of the portion of the Edmundston subdivision of the C.P.R. between Mileage 42.77 and 43.44 in New Brunswick.

Frost Steel and Wire Pays Full 7% Dividend

Frost Steel & Wire Co. has declared a dividend of $1.75 a share on its first preference stock, payable Nov. 1 to shareholders of record Oct. 19. This is the fourth dividend since December, 1934, and completes payment of the full requisite $7 a share for the fiscal year which ends Oct. 31.

The company's business has improved materially in the past two years. Hence the dividends. Arrears of dividends remain at $19.25 a share on the first preferred stock. No payments were made between February, 1932, and December, 1934.

C.P.R. and C.N.R. Add To Co-operative Plans

From Our Own Correspondent

MONTREAL. — Supplementary letters patent have been issued to Power Corp. of Canada Ltd., approving the action of the directors in repealing and cancelling by-law "D," enacted on November 18, 1927, increasing the number of directors of the company from 7 to 10.

Bond Sales

Farnham Schools

City of Farnham, Que., School Commission has sold $115,000 of 4 per cent bonds maturing serially 1935 to 1959 at 98.635 to Credit Anglo-Francais Ltée. The bonds are being offered at par to yield 4 per cent.

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Bruck Silk Mills Secure Tax Concession

From Our Own Correspondent

MONTREAL.—Quebec Municipal Commission has ratified the application of Bruck Silk Mills for renewal for a further period of ten years for exemption from taxation in the town of Cowansville, P.Q., where its plant is located. This application, originally filed with the Town Council, and granted by vote of the municipality, is now given the final sanction of the commission, and only awaits the signature of the Lieut-Governor.

In view of this renewal, directors of the company have authorized and have placed contract for an additional 25,000 sq. ft. of space at its plant. Construction work has started.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Barcelona Trac.	6½%	1965	Dec. 1	‡100
Belding-Cort.	5%	1936	Nov. 1	105
Consumers Glass	5%	1948	Dec. 1	103
Mtl. Coke & Mfg.	5½%	1947	Dec. 1	102
Nat. Cement	7%	serial	Nov. 1	103
National Grocers.	6%	1948	Nov. 1	105
Ont. Steel Prod...	•6%	1943	Dec. 1	110
Riordon Pulp & P.	6%	1942	Dec. 31	•105

For sinking fund: ‡£15,100. *$23,900. •$74,000.

Stock Issues:	Rate	Stock	Date	Price
Inter. Milling ..	7%	Pref.	Oct. 15	*110
Do.	6%	A Pref.	Oct. 15	†107

*Plus accrued dividends of 88 cents per share.

†Plus accrued dividends of 75 cents per share.

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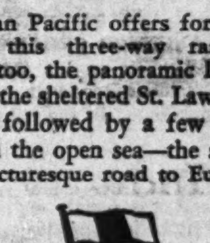
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SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
School Commission, City of Farnham, Que.	Sept. 28	Credit Anglo-Francais Ltd.	4%	Dec. 1 1935 to 1959	$115,000	†98.635	4%
L'Oeuvre et Fabrique de la Paroisse St. Jerome	Oct.	W. C. Pitfield & Co.	4%	Jan. 1937-59	173,500	.....	[illegible]
				1937-49	......	*100	[illegible]
				1950-59	......	99.50	[illegible]

*Offering price. †Offering at 100.

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Member Audit Bureau of Circulations

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TORONTO, OCTOBER 12, 1935

MOTHERS OF MEN

SIR JOSIAH STAMP in one of his public addresses pondered the fascinating problem of how dictators behave when at home.

Speaking as a life-long observer of the fair sex and as a happily married man, Sir Josiah expressed the opinion that if one could hide in the home of Dictator Mussolini at Rome, sooner than later one would hear Mrs. Mussolini call, imperiously, "Benito, Benito."

[illegible]d, undoubtedly, thought Sir Josiah, the c[illegible]r would come, "Yes, my love."

[illegible] four party leaders in the present general [illegible] are pre-eminently family men. With M[illegible] Bennett it has been his sister Mildred (Mrs. Herridge). With Mr. King it has been his mother, whose memory he reveres. At Laurier House he has things so arranged that he can hardly get himself out of eye-shot of a portrait of his mother. Mr. Stevens is an adoring and adored father, whose anguish during the fatal illness of his daughter in 1934 was too great to be concealed. Mr. Woodsworth, too, is an inordinately proud and a beloved father.

Catch political leaders in their home circles and you discover suddenly they are not Honorables and Rt. Honorables, leaders of men who number their followers by the hundreds of thousands and millions. It gives one a queer feeling to hear them responding to calls of "Daddy," "Dick," "Sonnie," "Arthur," "My boy," and so on.

John Morley once wrote of the tragedy of time—the withering years—which so often denies to mothers and fathers the joy of seeing their sons achieve positions of great power, trust and responsibility, of honor and of fame.

Mrs. Meighen, mother of the former Conservative prime minister, used to come to the visitors' gallery of the Commons to hear her son. She would look down, starry-eyed; no one needed to nudge her arm and whisper—"Woman, behold thy son."

Mackenzie King's mother died when he was on the threshold of his career as prime minister. Mr. Bennett's mother never lived to know her son's true greatness had been recognized.

But all four leaders in their private lives are happy and successful. Mrs. Stevens has accompanied her husband throughout the campaign, realizing that she could ease the desperate physical strain of a national tour. His son, too, has been in the thick of the fight. Mrs. Woodsworth has campaigned for her husband.

MILLION-DOLLAR SPEECHES

AN EXCELLENT argument in favor of shorter election campaigns is the number of million-dollar speeches that are made. Not speeches that add millions to wealth, but speeches that cost millions.

The Country Guide, of Winnipeg, a farmers' paper, points to some of these million-dollar election speeches. Mr. King's threat to nationalize the Bank of Canada dropped the price of shares held by 12,000 people from $66 to $53.

Mr. Bennett's bond conversion talk caused Canadian bonds to drop $100 millions.

Aberhart, Stevens and Woodsworth have helped to shatter prices of securities. The Country Guide might have added the names of McGeer and Hepburn.

It is indeed curious that politicians who talk so much about stimulating business, encouraging investment in Canada, bringing down interest rates, etc., spend so much time thinking up ways to knock millions off values and disturbing the confidence of enterprisers.

ANOTHER CROOKED YARDSTICK

LAST week on his tour through the West, President Roosevelt stopped off to dedicate Boulder Dam. In the course of his address, he said:

> "These great government power projects ..... will prove useful yardsticks to measure the cost of power throughout the United States. It is my belief that the government should proceed to lay down the first yardsticks from this great power plant in the form of a state power line assisted in its financing by the government ...."

Here again we have President Roosevelt's idea of what constitutes a proper yardstick by which to measure the cost of power. The government builds a dam, borrowing at government rates for money. It absorbs an enormous share of the total expense in the form of items which should be charged to the construction costs but are not so charged. It grants exemption from taxes. It subsidizes, by state grants of one kind and another, power lines. Then it proceeds to fix a rate based upon this falsified figure of the actual cost. And this rate for power or light is to be regarded as a yardstick.

The yardstick is applied to whom? To the private utilities. But the private utilities are told they must pay their own way. They are subjected to political attacks so that their credit is practically shattered and the borrowing of money is made very expensive. They are made to pay enormous taxes, much of which is for the purpose of financing the yardstick enterprises. Their executives are subjected to personal vilification and to cross-examination by politicians staging a drama for the benefit of the folks back home.

If, with these handicaps, the private power companies find it impossible to meet the rates of the government yardstick plants, it is taken as evidence of greed and rapacity in the fixing of their rates. Government regulating agencies step in and force their rates downward regardless of cost.

President Roosevelt is setting no example of shining honesty to the rising generation in making use of crooked yardsticks to measure success in enterprise and endeavor.

TORONTO BETTER BUSINESS BUREAU

A BETTER Business Bureau is being established in Toronto as a result of intensive efforts of the Advertising and Sales Club of Toronto, and particularly of A. G. Pinard, of the Lowe Brothers Co. The creation of the Bureau is made possible by subscriptions from 225 leading Toronto businesses, financial and mercantile.

The new Bureau should be capable of making an important contribution to maintenance of clean business. Important work to this end can be done by scrutiny of advertising and sales practices. A major phase of the Bureau's activities will be investigation of malpractice in promotion of securities, in conjunction with the Ontario Securities Commissioner.

A feature of the work of Better Business Bureaux is exchange of information. For this reason, it is expected that the successful Montreal Bureau and similar American organizations will provide useful information and guidance to the Toronto Bureau. Also the Toronto organization will fill a blank spot in the Better Business map, to the benefit of other bureaux.

The success of the new project will depend to a major degree upon the character of the management. A directorate of high quality has been appointed, but much will depend on the men who will manage active operations of the Bureau. This is for the future. For the work of bringing the project to the formation stage, legitimate business owes a vote of thanks to the Advertising and Sales Club, to Mr. Pinard, and to the firms who have supported the movement.

WHAT IS ANTI-SOCIAL CREDIT?

THE use of the word "social" in connection with the word "credit" suggests that the types of credit other than that proposed by Major Douglas and Mr. Aberhart are anti-social in character. There may be something in the implication. Any breadwinner who uses his credit to hang a millstone of debt around his neck is not doing the social thing by his family. Any government that hangs a similar millstone of debt around the necks of all the people in its care is doing an anti-social thing unless it can demonstrate that the values created by the expenditure of the money are greater than the weight of the burden assumed.

But is there any real distinction between Social Credit and any other kind of credit? Are the burden it represents on the borrower and the difficulty that will be experienced in writing it off the books ultimately any different?

Inherent in the programme of Mr. Aberhart is the assumption that all the borrowing the people of Alberta have done in the past has been bad borrowing. In fact, he so dislikes the particular type of credit upon which they have relied in the past that he says:

> "The focal point of infection is obviously finance. Why are we so hopelessly in debt? Simply because finance usurped the people's right to their own credit."

In any event he thinks credit led them astray in the past. It simply burdened them with debt, inveigling them into mortgaging their future, and, to use his own words, "selling their children and their children's children into hopeless financial bondage."

But the new credit upon which he will rely is something different. It is Social Credit that will "free us from debt."

This makes it a little clearer but not much. One judges that Mr. Aberhart's theories of debt are about as follows:

> That the debts we have contracted in the past are bad debts, unjust debts and anti-social debts. But the debts that we contract in the future will be good debts or social debts.

But will they be any different? Is it not always pleasant to be able to borrow and spend? Is it not always pleasant to forget that eventually every honest man must pay his debts and to think only of the present when the borrowed money is spent? But eventually the day of reckoning comes and every debt that is contracted must be paid, repudiated, or defaulted.

And every debt that Mr. Aberhart will contract for his people in the name of Social Credit—whether that debt be contracted by the issuance of paper money, scrip, credits in some huge provincial ledger or by the issuance of bonds—must be paid. It is not possible to spend tomorrow's income today and still be able to spend it tomorrow as well.

Social Credit can improve the net worth of Alberta only by increasing wealth. But this is just what it cannot do. It can divide up wealth differently but it cannot make it greater. It can use up tomorrow's income but it cannot spend it twice. It can wipe out old debts—by direct or indirect confiscation—but in doing so it must create new ones.

ALBERTA VOTES FOR TARIFFS!

IN THE Alberta election 58 per cent of the voters in the rural areas cast their ballots for candidates who supported the Aberhart Plan.

The Shorter Catechism of that plan is the Aberhart manual. And in the manual appears this revealing bit of colloquy:

> "If the price of goods outside the province was less than our just price, how could we prevent their import?"
>
> Answer: "There would be no gain made by importing these cheaper goods. As soon as they arrive, there would be an unearned increment levy added to the price to make it the same."

In brief, 58 per cent of Alberta's farmers voted for a system of protection for Alberta's producers against the outside world. This may make it a little embarrassing for their leaders to make as effective protests against the protective tariff system as they have made in the past.

They have agreed—58 per cent of them anyway—that there is no gain in importing cheaper goods and that Alberta producers must be protected by a levy to equalize costs of home-produced and imported goods.

IMMIGRATION AGAIN

THE Regina Leader-Post makes a statement that has frequently been made in these columns when it says that some future Canadian government "will have to give some thoughtful consideration to the matter of immigration." It adds:

> "It may strike some that there must be something wrong with Canada's internal economy, with our national management, if a country of Canada's extent and exceptional wealth and variety of resources cannot support a population vastly greater than we have today."

Today we see Italy undertaking a vicious venture in territorial annexation to provide an outlet for its people. Countries in Europe are bursting while large overseas areas are thinly populated. The world's population will distribute itself no matter what barriers are set up by the nations.

Canada has no intention of reverting to the status of a colony and for the next hundred years should have no difficulty in defending itself against any attempt to forcibly establish colonies of foreigners here. But we have to consider whether or not we should adopt the dog-in-the-manger policy with our natural resources and our fertile vacant lands. If the dog-in-the-manger policy were in our own best economic interests it might be worth considering from a selfish standpoint. But is it?

If we have room for 50,000,000 people or more, then we have the making of a much greater nation here. Canadians may not welcome immigration from Japan, from Italy or from the Slav countries. But would we have difficulty in absorbing into citizenship Englishmen, Irishmen, Scotsmen, Swedes, Norwegians, Dutchmen, Germans? Experience proves that we would not, yet people of these nationalities are as unwelcome in Canada today as if they were cannibals or Mongolians.

EDITORIAL NOTES

It was probably a sporting editor who invented the phrase "King or K. O's."

• • •

War would not be so bad if the chief malefactors were always the chief malaficiaries.

• • •

Discussion of who will win this war recalls Irvin S. Cobb's question, "Who won the San Francisco earthquake?"

• • •

It is all right to say "vote as you like, but vote." This does not help the man who likes the leader or the policies of one party but dislikes the local candidate.

• • •

Present rise in prices is compared to the 1915 war inflation. Apparently Mussolini, whose wheat policy helped put the price of Canadian wheat down, is now helping to put it up.

• • •

British disciples of Social Credit celebrated the Alberta victory by marching around the Bank of England, beating drums and blowing trumpets. But we understand the walls still stand. Apparently a Norman tower is stronger than the walls of Jericho.

Post-Scripts

HERE are two interesting sidelights on the operation of the wage and hour agreements in various building trades under the Industrial Standards Act in Ontario.

On Saturday mornings, when no work is supposed to be done by plumbers, carpenters, bricklayers, lathers, etc., except at overtime rates and on special emergency jobs, certain tradesmen take to their cars and go on inspection trips policing the industry in Toronto. New structures are visited and where any mechanics are found at work, reports are sent to the Parliament Buildings. One mechanic stated, "If we are not allowed to work, no one else is going to."

Another interesting incident was where the owner of a new building visited his structure on a Saturday morning and found two plumbers at work on an installation. When reminded by the owner of the consequences if a government inspector should come along, the plumbers said, "If that happens, we just came back on the job to pick up our tools," and continued their work.

• • •

BEST advertising story of 1935 is told this week by Gossip, Toronto. Here it is:

"A few weeks ago, a shabby young lad came into the New York office of the Lucky Strike people and asked for the president. Eyebrows were raised! 'He's in conference. Won't somebody else do?' 'No, I'll wait.' He waited all day and he came the next. He waited the entire week and at last caught the president on his way out of the elevator.

"The head was so amazed that he listened. 'I want to say four words to you,' said the lad. 'If you don't want them it's all right, but if you do I want $100,000.'

"The president blinked. 'Shoot,' he said—or words to that effect. And the boy said, 'Be Happy—Go Lucky' He got his $100,000. All the old Lucky Strike posters and magazine pages are being called in and the campaign with the new slogan starts next month."

Sayings of the Week

"What I am convinced of is that the transition from advanced Capitalism and advanced Democracy to Socialism is far more difficult than Socialists allow themselves to suspect or admit."—*John Middleton Murry.*

• • •

"No consideration on earth will ever make me party to any act which I know will destroy the credit of our country."—*Rt. Hon. R. B. Bennett.*

• • •

"New York is probably the biggest hick town in the world."—*Mrs. Halliday Witherspoon, of Boston.*

• • •

"It is necessary not only to have an ideal but to consider what are the best measures of achieving it."—*Sir Samuel Hoare.*

"Diet is even more important than exercise."—*Annette Kellerman.*

• • •

"Perhaps the customer is not always right—but I do know that the customer must always be satisfied."—*Jack Dempsey, former world's heavyweight champion.*

"British public opinion has usually shown a sound instinct upon the big issues."—*Sir Samuel Hoare.*

• • •

"The Utopian is a poet who has gone astray." —*Dean Inge.*

• • •

"Ninety per cent of unemployment is wholly without fault of the worker."—*Franklin D. Roosevelt.*

• • •

"St. Mark was one of the keenest-eyed reporters who ever attended a public meeting."—*Ernest Brown.*

• • •

"Criticism is of no value which either ignores the good of the old or the value of the new."—*Herbert Hoover.*

• • •

"Thinking is not one of the natural activities of man; it is a product of disease, like a high temperature in illness."—*Bertrand Russell.*

• • •

"Name me the profiteers that still have any money. Just name them to me! They all lost their profits through heavy taxation."—*Bernard M. Baruch.*

• • •

"Social legislation is one of the chief instruments being used by civilization in committing suicide."—*Dr. George B. Cutten, president, Colgate University.*

• • •

"If anyone wants to know what is the matter with the League of Nations, it is merely that it does not mean to any man's heart and instinct what is meant even by the narrower conception of his nation."—*G. K. Chesterton.*

• • •

"It is not in line with modern thought that inventive genius should be hobbled so as to preserve the old order. Rather, it should be stimulated to accelerate the development of new and better ways of doing things."—*Leo C. McCloskey, vice-president, Imperial Oil, Ltd.*

Canada and Britain

Will Mother Country Renew and Extend Ottawa Trade Agreements?

By J. B. MACLEAN

"Defeat of the Conservative government would be to serve notice to the people of the United Kingdom that Canada did not want the Empire trade agreements."

So declared Premier Bennett at Charlottetown. But is this a fair or accurate presentation?

Canadians deeply interested in preserving and extending these agreements and who have studied the situation in the Old Country this year, tell quite a different story. They found that at no time in their experience was Canada as unpopular as she is today, because of the general belief over there that we have persistently broken faith with the Mother Country; have treated her traders and investors offensively and cannot be trusted in future. The attitude of Australia and New Zealand is still more unfriendly to us.

Cause For Dissatisfaction

In Canada there is a feeling that the general and serious dislike of Canadians has been due to the much-advertised McGeer - Roebuck - Hepburn repudiation of our agreements with British investors. But returning Canadians say that their repudiation policies are only one factor.

Major James Baxter, Montreal, a young and successful business man, a former president of the Empire Club, Toronto, with widening commercial interests across Canada and the Mother Country, and whose success is dependent upon the development of Canadian and English trade, has recently completed an extensive investigation of the conditions in England and Scotland. On his return he gave an interesting interview to the Montreal Gazette in which he said:

"Of great concern to the Dominion is the fact that the English business man has lost a good deal of his former enthusiasm for Canada as a market. There is a marked lack of favorable Canadian publicity in the English press. News from other parts of the Empire predominates in the columns of leading British dailies, and news of Canadian origin is inclined to be derogatory in its nature.

Canada is Lagging

"There is a definite desire on the part of English manufacturers to cultivate inter-Empire trade to the fullest possible extent. Considerable headway has already been made in this direction with Australia, New Zealand, South Africa and India. Canada, however, is lagging far behind. The English business man has been led to believe that Canada is interested in her export trade only and that the Canadians are not attempting to co-operate through the furthering of the sale of British-made goods in Canada."

Don't Trust Canada

Colonel George A. Drew a short time previously said something to the same effect on his return:

"Canada had better do something about her credit in England. There is no use beating around the bush. They don't trust us over there. And it isn't the result of one action. It's the result of a number of actions, one after another."

More extensive evidence comes in a series of articles in Maclean's Magazine by G. R. Stevens, who represented the Canadian government in Australia and South Africa and who was for many years one of the most successful of Canadian business builders of overseas commerce.

Powerful Leaders

On the other hand, leaders in textile and other industries who expected a good market in Canada and fair play as a result of the agreements, have spread discontent and distrust of Canada among their employees and the masses. The flour millers have combined against us. Where they formerly used 80 per cent Canadian wheat many of them now have found ways of cutting this to 20 per cent. Our Czechoslovakian, German, French and American competitors are, through whispering and press campaigns, doing all they can to encourage this attitude.

Speeches and activities of Elliot, Minister of Agriculture, and his supporters to make England independent of Canadian supplies are making great headway among the agriculturists and important landowners. It is not improbable that Elliot is inspired by the three most powerful members of the Cabinet, Baldwin, Runciman and Hailsham, England's representatives at the Ottawa Empire Conference, who were forced at the last moment to agree to Mr. Bennett's terms and who sailed from Canada a few hours later with a sense of bitterness in their hearts, and wondering how it was done. If they are in power when the renewal of the agreements comes up, would Mr. Bennett find in them sympathetic negotiators?

Sales Manager of World Banks

At the Ottawa Conference, away in the background, were the agents of the Bank of England wing of the proposed great world central bank, a movement which has been underway in Canada for 30 years. Montagu Norman is what may be called the sales manager of this scheme, succeeding, as the story goes, the late Paul Warburg, the Hamburg, Germany, banker. Warburg came to Canada about 1907, when I first saw him, to interest our bankers and politicians. He got some sympathy from Walker, of the Commerce, which, if for no other reason, set the able Wilkie, of the Imperial, and the blunt, vigorous Coulson, of the Toronto, violently against the scheme.

In the States, Mr. Warburg inspired and eventually got through and practically headed a central bank, the Federal Reserve, which he frankly admitted was his reason for coming to America. That accomplished, he retired to get the world central bank on its feet, The International Acceptance Bank.

Dictator to Governments?

Mr. Norman has been directing campaigns and developments in Central and Eastern Europe, as the records show, and particularly in the British Dominions. It is interesting to note that the present central bank movement first started among certain politicians in Western Canada who had apparently been carefully inspired by the same European interests as had organized the wheat pool, as has been frequently told in these columns and referred to by Mr. Bennett several times in the present campaign.

Now that we have a Central Bank in Canada, practically a subsidiary of the Bank of England, will that powerful influence with its very close foreign relations, support Mr. Bennett and a renewal of the Empire agreements? The record of these interests in England has always been on the side of free trade. And Mr. Norman has, on more than one occasion in the last few years dictated Canadian government policies.

Can Mr. King do Better

On the other hand, suppose Mr. King becomes Prime Minister, will his sunnier ways enable us to regain the friendship and sympathy of British buyers of Canadian products, and particularly to hold the very great advantages which the Empire agreements might have brought us? Mr. King has promised definitely to remove the chief cause of British and foreign discontent and dissatisfaction with Mr. Bennett, the arbitrary rulings offensively declared in recent years by his Department of National Revenue. That policy will go a long way in removing British and other Dominions' opposition to renewal of the advantages Canada has under these Ottawa agreements.

Unfortunately Mr. King goes a step farther and says there will be reductions in duties all along the line, but, of course, without injuring any Canadian industry. If he gives the Mother Country important reductions in duties and in some cases free trade, will the shrewd English trader and politician find it necessary to agree to a renewal of the Empire preferences? Some business men with whom I chatted in England expressed this hope.

Mr. King may mean to carry out that policy literally, but I doubt it. Notwithstanding what Sir Wilfrid said of the Fielding preferences in 1897, that they were a gift to the Mother Country and that nothing was expected in return, Mr. Fielding told me quite definitely at the time that the Mother Country was expected to reciprocate, and that following this further preferences would be arranged. If there was no reciprocity, Mr. Fielding said that no further progress would be made and in all probability the preferences would be partially or wholly cancelled.

This is no doubt what Mr. King means. Very important too, it represents the view, definitely and strongly expressed on more than one occasion, of Hon. Mr. Dunning whom the Liberals are counting upon to again be Mr. King's chief lieutenant and to fill the Finance Minister's chair.

There are many of us in England and here, who believe firmly and feel strongly that Canada's future prosperity depends upon the renewal and extensions of the Empire Trade Agreements.

Other People's Views

And the Sun Will Shine

The Country Guide, Winnipeg

Betting on a horse race is a simple matter compared with betting on the results of the present election campaign. There is only one certainty and that is that when the election is over the Canadian people will proceed about their normal callings very much as usual The sun will continue to shine and the rain to fall and the marvellous promises of the campaign will still be in large degree unfilled.

Thought for Women Voters

Winnipeg Free Press

An enlightening remark bearing on some current economic ideas is Warren K. Cook's declaration: "Bargains are a crime against humanity and should be prohibited by law." Mr. Cook is the proprietor with Mr. Stevens of the Reconstruction party.

As Others See Us

At it Again

Halifax Chronicle

Ever since 1930 when Mr. Bennett loomed on the Canadian horizon he has enunciated policies without consultation with his followers and even the members of his own cabinet. In his recent utterance about refunding the nation's debt, upon which two interpretations have been placed, he again spoke off his own bat.

The Financial Post says, "It is learned, officially, that Mr. Bennett made this reference to debt charges without consulting either his colleagues or his financial experts. They were just as surprised at his language as were the bondholders."

This has been Mr. Bennett's weakness from the very beginning. It might have been thought in light of Mr. King's strictures that the Prime Minister would, for the time being at least, exercise a little more discretion, but he is apparently incorrigible. It is hard to teach an old dog new tricks. Mr. Bennett has been the government, he is still, and evidently, if he is able, intends to be.

Whatever name may be given, this at least is certain, it is not democracy.

Stop Me If You've Heard This One

In the reign of the Emperor Nero, a Christian was condemned to the lions. A healthy young lion was starved for two weeks, so that he would be in proper trim for his meal. At the appointed time he was released from his den and bounded eagerly toward the Christian. As he neared the Christian, the latter leaned forward and spoke a few words to the beast, which promptly stopped and then walked back to his den. The Emperor called the Christian before the Imperial Box.

"Tell me what you said to the lion, and I'll let you off," he said.

"Oh, it wasn't anything very much," said the Christian, in a deprecatory tone. "I merely said, 'Of course, you'll be expected to say a few words after dinner.'"

Individual Investment Requirements

No two persons have quite the same circumstances or obligations to consider in managing their investment affairs. It is the aim of this organization to make such investment suggestions as will best suit the specific requirements of individual clients.

Inquiries are invited at our Branch nearest to you

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"Cup of Tea helps office efficiency at Four o'clock"

says

E. S. & A. ROBINSON (CANADA) LIMITED

"The efficiency of an office staff or of a factory cannot be measured in hours of work. Some hours produce more work than others, and as each day draws to a close physical and mental fatigue takes its toll.

"It has been our experience that by serving a cup of Tea to the office staff at four o'clock in the afternoon we markedly increase the productivity of the closing hours of the day. There is renewed energy, a quickening of interest, and livelier spirit.

"This practice has proven a splendid means of maintaining the efficiency and enthusiasm that betokens a successful business organization."

E. S. & A. ROBINSON (CANADA) LIMITED
PRINTERS AND LITHOGRAPHERS
TORONTO, ONTARIO

ANYTIME IS TEA TIME

FREE DEMONSTRATION
If you will write to the Tea Market Expansion Bureau, Sun Life Building, Montreal, we will gladly arrange to serve a cup of tea anytime during the day to your office or factory staff for one month without cost or obligation to you.

nothing so refreshing as a good cup of TEA

Week in Business

Baseball Postpones Motor Debut
Business at Zero Hour in Dominion

Baseball's world series games usually have no direct economic significance to Canada unless one counts moments lost in thousands of offices when president and office boy take "time off", to listen to the afternoon broadcasts.

This year it affected a continent-wide network of automobile users and dealers here and in the United States, for shrewd publicists of the Ford Motor Co. decided it was inopportune to mix their big news — the 1936 Ford — with screaming baseball headlines. War news also proved a factor in the decision to defer announcement of the new car for a week or so.

Incidentally the Ford announcement may set the lead for the prices we will pay for our next year's model. New Buick prices in the U. S. are from $30 to $385 lower than a year ago, but this is interpreted as being more an attempt to shift this car into a different price class and regain a market undermined by Packard's popular 120 model, than an indication of lower prices for all General Motors offerings. At any rate, Ford prices (which some say will be much lower than a year ago) will be a very large factor in setting the pace, at least for lower-priced models.

* * *

And in Canada, the week ending October 12 is a very obvious "zero hour". Not only advertising appropriations but all manner of plans for third-quarter and next year's business are collecting dust until six million electors cast their ballots for 892 federal parliament candidates.

What business will want to evaluate chiefly on the morning after October 14 will be tariff policy and the future of the Bennett New Deal. Once these two matters are settled, the signals should be clear for good fall and winter business, provided the new government gets anything like a clear mandate from electors.

For without minimizing the importance of issues now facing us, it is a truism that business men are usually more concerned with stability in tariffs, social legislation, and so forth, than they are with the actual policies themselves. It is uncertainty they abhor most of all.

* * *

In Washington and in New York, business men and their advisers stick to their forecasts of good fall and winter business. They are banking on "Roosevelt's "breathing spell" from new legislation; and on inflation beginning to "take" in a big way, further simulating the upward movement in prices.

Business Indicators

Changes of the Week
(Compared with the same period last year)

Favorable:

Car loadings, weekly railway earnings, construction contracts awarded, wheat exports, coal imports, bond sales, automobile financing, Dominion government weekly business index.

Unfavorable:

Flour production, wheat flour exports, crude petroleum imports.

Automobile Financing—Sales of 9,030 cars were financed in August. This was a decrease from the previous month, but an increase of more than 20 per cent over the same month last year. Both new and used car financing was higher than a year ago, the former gaining 14 per cent and the latter 23 per cent in both number and volume.

Boot and Shoe Production—August output of leather footwear registered an increase of 25 per cent over the previous month and 14 per cent over August, 1934. Every month this year has shown a gain compared with the corresponding month a year ago. A particularly large increase was noted in footwear with felt uppers.

Leading Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

WEEKLY DATA	Latest 1935	Latest 1934	Cumulative Total Jan. 1 to date 1935	Cumulative Total Jan. 1 to date 1934
Transportation—				
Car loadings (Sept. 28)	▲55,766	50,547	1,716,748	1,699,210
C.P.R. gross earn. (Sept. 30)	$ ▲4,811,000	$ 3,431,000	$ 92,035,000	$ 90,898,000
C.N.R. gross earn. (Sept. 30)	$ ▲5,146,030	$ 4,472,997	$ 125,130,169	$ 121,962,709
Business Conditions—				
Weekly index D.B.S. (Sept. 28)	▲95.1	94.4	......	......
MONTHLY DATA	**1935**	**1934**	**1935**	**1934**
Business Conditions—				
Financial Post index (Aug.)	104.2	98.3	......	......
Transportation—				
C.P.R. net earnings (Aug.)	$ 508,339	$ 1,070,633	$ 8,096,540	$ 10,636,527
C.N.R. net revenue (Aug.)	$ 572,547	$ 65,276	$ 3,872,993	$ 5,132,262
Iron and Steel (Aug.)—				
Pig iron production (tons)	54,414	41,485	364,704	236,071
Steel ingots and castings prod. (tons)	82,488	63,504	556,752	527,673
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (Aug.)	3,941	4,042	66,923	53,648
Factory output (Aug.)	5,524	7,325	105,322	82,816
Trucks and Buses:				
Domestic sales* (Aug.)	1,412	1,220	13,525	9,105
Factory output (Aug.)	2,168	2,579	26,705	20,286
Exports (Aug.)	6,009	3,567	44,692	34,076
Construction—				
Building permits (Aug.)	$ 4,292,058	$ 3,764,425	$ 33,188,353	$ 17,433,272
Contracts awarded (Sept.)	$ ▲14,743,100	$ 12,494,000	$ 132,724,200	$ 98,145,100
Newsprint (tons)—				
Production (Aug.)	235,573	216,164	1,754,742	1,686,055
Exports (Aug.)	220,866	183,922	1,603,875	1,537,220
Sugar (lb.)—				
Melting & shipments§	74,223,266	91,063,904	556,294,119	513,191,653
Manufactured§	71,183,208	88,679,472	550,624,612	500,128,185
Flour (bbls.)—				
Production (Aug.)	▲1,161,389	1,282,214	8,287,837	8,960,632
Wheat flour exports (Aug.)	▲376,562	412,089	3,014,779	3,353,728
Trade (August)—				
Imports	$ 49,560,063	$ 43,507,331	$ 358,346,853	$ 335,041,690
Exports	$ 70,737,836	$ 55,249,375	$ 427,242,172	$ 401,029,549
Wheat exports (bush.) (Aug.)	▲21,698,284	14,709,675	75,361,840	92,410,250
Employment, D.B.S. Index—				
All industries (Sept. 1)	102.7	98.8	......	......
Manufacturing	100.8	94.3	......	......
Electric Power Output (Aug.)—				
Total monthly (000's omitted)	1,851,130	1,676,866	15,022,764	13,672,563
Aver. daily	59,714,000	54,092,000	....	....
Other Industrial Indices—				
Lumbering:				
Plank & board exports, mill (Aug.)	164,452	135,135	853,543	902,794
Boot & shoe prod., pr. (Aug.)	▲2,153,955	1,877,661	14,546,387	12,518,840
Crude petrol., imp. gal. (Aug.)	▲126,729,590	129,613,183	703,004,923	674,651,501
Cotton imports, lb. (July)	9,912,771	8,280,941	60,964,630	80,905,086
Raw rubber imp., lb. (Aug.)	6,303,645	4,363,165	39,198,212	40,786,032
Coal imports, tons (Aug.)	▲1,528,319	1,462,469	8,107,054	8,209,179
Finance—				
Bank debits (Aug.)†	$ 2,497,602	$ 2,533,455	$ 20,258,840	$ 20,743,567
Bond sales (Aug.)	▲120,957,653	53,288,300	464,407,227	311,722,459
Life insurance sales (Aug.)	$ 26,854,000	$ 26,659,000	$ 240,566,000	$ 248,695,000
Automobile Financing—				
Used cars (Aug.)	$ ▲1,703,780	$ 1,385,022	$ 15,285,865	$ 10,110,413
New cars (Aug.)	$ ▲1,689,393	$ 1,480,983	$ 18,353,922	$ 13,031,334

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000s omitted. §For 4 weeks to Sept. 7.

Beer Selling Authority Extended in Ontario

The time limit for existing beer selling authorities in Ontario has been extended from November 1 to April 1, 1936. Ordinarily these authorities would have come up for review before renewal, and another $300 deposit would have been required with the granting of the renewal. Now, however, there will be no review until April 1 and no deposit until that time.

The purpose of this extension is to bring the authorities into line with the new provincial fiscal year.

Government, Municipal and Corporation Bonds

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Royal Securities Corporation
Limited

244 St. James Street MONTREAL — 330 Bay Street TORONTO 2

Halifax, Saint John, Quebec, Ottawa, Winnipeg, Vancouver, Charlottetown, Hamilton, Calgary, St. John's, Nfld., New York, London.

NO DECISION YET REGARDING POWER OF MARKET ACT

Court Case Hinges on Scope of Marketing Board Authority

The strength or weakness of marketing schemes under the Natural Products Marketing Act is still undecided.

Two charges have been made in the courts by the Jam Marketing Board which operates under this Act against George B. Jacobs, an Oakville, Ont., packer. Both have been dismissed by the local magistrate. The first charge was that Mr. Jacobs would not open his books and provide all the information asked by the inspectors of the Board; the second was that he marketed jam other than through the selling agency of the Jam Marketing Board.

The latter case came up on Friday, October 4, and was dismissed on more or less of a technicality. The inspector had visited the plant after the packer had been notified that his Authority to market jams had been cancelled. He went through the books and found certain entries marked as "credits" which he assumed were actual sales. However, it was proved to the satisfaction of the magistrate that instead of being sales, they were delivery credits on an order placed by a wholesale grocery company prior to the time the Authority was cancelled.

Other Cases Pending

The Jam Board has another case against a Toronto packer, and one in the Maritime Provinces has been seeking to be permitted to sell at less than the stipulated prices.

Up to the present there has been no charge laid against a packer in reference to cutting prices, but the authority to fix prices has been brought up during the Police Court cases at Oakville. From the evidence of the chairman of the Jam Marketing Board, it is the contention that the various packers are really sub-agents of his and that therefore all jam is actually sold through him, although he actually has had nothing to do with taking an order and filling it. This is one of the fine points which will likely be gone into further when the cases reach higher courts.

The question therefore arises, "If a packer loses his Authority to market jam, can he go ahead and market it in his own way through his own organization?"

On the answer to this question depends the future, not only of the Jam Board but of others that have been organized for the setting up of market regulations and prices.

Acme Box Co., 388 Carlaw Ave., Toronto, will make alterations and additions to the factory to cost $1,500.

Background of Business

Increase Inventories

Purchasing Agents View Outlook — Price Fixing for Stationers

Canadian purchasing agents met recently in conference at Montreal.

As this group is responsible for the purchase of hundreds of millions of dollars worth of materials, merchandise and equipment annually, their views on the business outlook, as culled by a first-hand observer, are of much interest.

"Not one reported present business or its prospects as poor. Opinions were evenly divided between 'good' and 'fair.' probably depending on the nature of the business.

"The opinion was unanimous that prices are firm and the trend is upward because of increasing demand, government action, increased buying power, social legislation, price controls, inflationary measures and war or armament requirements.

"A considerable majority of purchasing agents interviewed recommended an increase of inventories and commitments; several would protect for three to six months; nearly all would cover for one to three months; a few advised selected covering and careful analysis of markets.

"Several thought employment prospects were good, while the majority considered them fair.

"Opinion was evenly divided on the disturbing effect of politics, currency exchange fluctuations and world peace on business confidence. A large majority believe the U. S. political situation does not influence business confidence in Canada. The Dominion elections will be held this month; those in the U.S. are a year away."

* * *

Fixed Price for Stationery

Price protection and standardization of trade terms featured last week's all-Canada Stationer's Convention at Toronto. The meeting, first of its kind was attended by 300 retailers, manufacturers, salesmen and executives and featured a well-prepared exhibition of stationery products. Including books and stationery this industry has products with an annual selling value of between $40 and $50 millions annually.

No action was taken officially regarding "protected price" articles (that is, lines which have a retail price established by the manufacturer) but a lengthy discussion found retailers and manufacturers in apparent agreement in supporting the Stationers Guild (manufacturers) advocacy of this policy.

Other discussion centred around advisability of establishing trade terms such as cash and quantity discounts. Because of variation in selling seasons, etc., it was thought impractical to standardize these terms but it was felt much good could be gained if manufacturers would agree definitely to enforce the terms they are now quoting.

The stationers expressed much optimism concerning current business and the business outlook. They took it to be a happy augury for the future of the business that the convention was well represented by new, young faces.

* * *

Page the Lawyers

Enforcement of new section 498a of the Criminal Code providing penalties for both buyer and seller in case they are party to a transaction in which the price discriminates against others, has caused a rush among business men to get legal information. Buyers for certain large retail organizations are in a quandary, not knowing if in buying goods they are being party to a transaction that might be open to question. It is said that some of them are protecting themselves by insisting that the seller sign a statement making it clear that he is not granting the buyer any better terms than are available to other buyers of a similar quantity and quality of the same merchandise. In view of the fact that a buyer's job is to buy to the best possible advantage, it is thought in some quarters that this condition is definitely limiting the usual scope of the buyer.

* * *

Paint Complications

New high prices for raw materials have complicated the house paint situation—still highly unsettled following the price reduction by Sherwin-Williams and other firms a few weeks ago.

White lead in oil has advanced 50 cents a hundred pounds as a result of a prolonged strengthening movement in pig lead. Higher flaxseed prices have brought an advance in the price of linseed oil, the refined product. Short crop receipts and heavy buying in turpentine have resulted in a strong price trend in southern U. S. producing areas, and advances in some Canadian distributing centres. China wood oil, another basic product used in the manufacture of enamels, has risen in price considerably, with the available world supply reduced. The war situation may lead to even higher raw material prices. Markets are being watched closely, as the present trend is increasing paint manufacturers' costs.

Lever Brothers, Ltd., soap manufacturers, 299 Eastern Ave., Toronto, has added four oil tanks to the plant at a cost of $20,000.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$6.75	$6.35	$6.00
Hogs	9.65	9.50	7.90
Copper, lb.	.09	.09	.09
Cotton, lb.	.1135	.1075	.1240
Rubber, lb.	.1212	.1181	.1380
Sugar, raw, lb.	.0365	.0360	.0302
Silk, lb.	2.07	2.03	1.20
Wheat (Man.) bus.	.94⅜	.90⅞	.75⅝
Coffee, lb.	.06¾	.07	.09½
Weekly Indices			
N. Y. Annalist	128.4	128.4	117.5
Fishers'	85.6	85.2	†80.2
N. Y. Journal of Comm.	82.3	81.4	76.3
Crumps (Brit.)	66.8	66.5	†66.4
U. S. Labor	81.0	81.0	77.2
Canada (D.B.S.)	72.7	72.9	71.7

† Average 1934.

Monthly Indices	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Aug.)	79.4	78.8	78.5
W'sale (Aug.)	71.6	71.5	72.2
U. S. Labor (Aug.)	80.5	79.4	77.5
Gt. Brit. (June)	68.1	68.6	65.3

Note: Indices on all base 1926 = 100. British index is Economist converted to 1927 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15. New York: sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W. Pt. A. basis; hides—heavy native steers; select bacons. Toronto.

1866 1935

BRITISH AMERICAN BANK NOTE COMPANY LIMITED

THE OLD CANADIAN COMPANY

Specializing in the production of Bonds and Debentures for Governments and Municipalities.

HOWARD W. PILLOW
President

CHARLES G. COWAN
Vice-Pres. & Man. Dir.

G. HAROLD BURLAND
Sec.-Treas.

HEAD OFFICE : OTTAWA
282 Wellington Street

511 Place d'Armes MONTREAL — 1110 Bank of Hamilton Bldg. TORONTO

Ingersoll Cream Cheese Co., London, Ont., has awarded the contract for a new two-story manufacturing unit.

Canada Packers, Ltd., St. Clair Ave., Toronto, is making alterations to the packing house at a cost of $3,800.

W. C. Pitfield & Company
Limited
INVESTMENT SECURITIES

Head Office
235 St. James Street West
MArquette 9321
MONTREAL

Private Wire—Halifax to Vancouver, with connections at Saint John, Montreal, Ottawa, Toronto, New York, Winnipeg and Calgary.

Correspondents
THE KENTERNE TRUST LIMITED London, Eng.
MANNING & CO. LIMITED Barbados, B.W.I.
AGOSTINI BROS. Trinidad, B.W.I.
JOHNSON & COOPER Bermuda

Branches
VANCOUVER Royal Bank Bldg.
TORONTO 80 King St. West
OTTAWA 140 Wellington St.
QUEBEC 65 St. Anne Street
SAINT JOHN 20 King Street
MONCTON Lounsbury Building
HALIFAX 157 Hollis Street

Higher Furniture Price Believed Here to Stay

Higher furniture prices are here to stay, is the opinion of a widely known manufacturer. He was referring to the price increase which was effected Sept. 1. Labor conditions in the industry were affected by the Industrial Standards Act, and subsequently selling prices were raised. On "case" goods, chiefly bedroom and dining room furniture, the increase is approximately ten per cent. On upholstered lines, it is generally less.

The condition of the industry today, however, he considers extremely bad. Too many firms are in the business to make furniture, rather than to make money is the complaint. Some idea of existing conditions is seen in the fact that although his own firm has halved production costs since 1929 and prices are about 25 to 30 per cent below normal, only two cars a month are being loaded. In good times it used to be three cars a week.

Tariff Important

In this manufacturer's opinion, the effect of the tariff on the Canadian furniture industry is all important. If the duty is not maintained sufficiently high, he states, the country would be swamped with products from the United States. He estimated that plant and equipment costs 25 per cent less in the United States. Other advantages such as shorter material haul and carload sales are said to bring the total difference in costs to about 40 per cent. It is doubted, however, if the United States product is as well constructed.

Efforts to standardize furniture prices through the Marketing Act would be futile, it is claimed. Design is considered the important factor when it comes to setting a price upon a piece of furniture. Consequently, he contends that any attempt to regulate prices without standardizing design would be abortive.

Ontario furniture men are facing increasingly keen competition from Quebec, he stated. In Quebec producers are said to be combining aggressive methods with up-to-date operating systems, efficient equipment and lower labor costs. The result spells keener competition.

Dalhousie Bond

ADDS LIFE TO FINE BOND PRINTING

Life . . . distinction . . . quality! Three essentials in any mailing piece designed to create an impression . . . and three features of Dalhousie Bond.

Ask your printer to quote on Dalhousie Bond for all your fine bond printing. It's a paper of quality, designed for quality work. Write for sample sheets.

COLOURS:
Blue — Buff — Canary — Golden Rod — Grey — Green — Pink — Salmon and White.

WEIGHTS:
13lbs., 16 lbs., 20 lbs., and 24 lbs. in White. 13 lbs., 16 lbs. and 20 lbs. in Colours.

Made in Canada by
The E. B. EDDY Company Limited
HULL CANADA

What Life Insurance Means To the Women and Children of Canada

To thousands of Canadian families, Life Insurance means Financial Security against the uncertainties of the future.

To each family deprived of its breadwinner, Life Insurance means Food, Clothing, Shelter and other necessities of life.

It means ready Cash to meet pressing obligations during the difficult re-adjustment period.

It means money to pay the rent or meet mortgage payments.

It means funds for the education of children until they are old enough to support themselves.

It means rearing *your* family in self-respect, freed from the humiliation of private charity or public relief.

It means contented retirement for the business woman when she is no longer able to work.

Every day, Life Insurance disburses $500,000 to Canadian homes. Every day, it helps to keep homes together and families united.

No wonder that Canadian women appreciate the value of Life Insurance, and are grateful to their loved ones whose far-sighted thrift has made possible such vital financial security for themselves and their children.

Life Insurance

Guardian of Canadian Homes

CLOTHES INDIVIDUALLY TAILORED
For Centuries THE MARK OF THE GENTLEMAN

Autumn Wear

Our new imported materials now await your inspection.

Many smart shades and designs are to be found in our selections.

Levy Bros.

69 W. King St., Toronto

TOOLE, PEET & CO.
LIMITED
FINANCIAL AGENTS
Appraisers and Valuators
Estates Managed
CALGARY CANADA

Winnipeg's Newest Hotel
The Marlborough
In the Heart of the City
Fireproof Construction
European Plan
Rates in Keeping with the Times
220 Rooms

Big B. C. Honey Crop

Honey production in British Columbia this year will exceed 700 tons, and with the exception of the all-time record production of 1934, will be the largest harvest in the history of the province.

Bank Chat

Bank Anniversary

THE oldest branch in Stratford, a branch of the oldest bank in Canada, has just celebrated its 75th birthday. The Bank of Montreal ranks as one of the oldest and most respected business houses in the town.

An interesting feature about the original building which is still in use, is the old vault. This old timer is only six feet long, four feet wide and eight and one half feet high, barely large enough for burglars to lock the staff in. It is still in place and is used daily by the present occupants of the building. The door works perfectly, a tribute to master craftsmen. A large brass key provided and still provides the only means of safeguarding the contents.

* * *

A Wide Traveller

C. W. ROWLEY, formerly assistant general manager of the Canadian Bank of Commerce, and manager and superintendent in Winnipeg from 1911 to 1925 recently passed through his previous headquarters on the first leg of a trip to South America. Since his retirement some years ago Mr. Rowley has travelled extensively. The present voyage will take him to the principal ports of South and Central America and to the West Indies.

Mr. Rowley has been convinced of two things by his travels. Canada is the finest country in the world; and she is to "dig" for a living.

* * *

More About Names

RECENTLY mention was made in this column of the frequent tie-up of names and occupations. A bank manager at Port Arthur takes the idea a step farther in contributing a clipping on the "Methodist Zoo." It reads as follows:

"About twenty-five years ago the choir of Trinity Methodist Church, Port Arthur, Ont., was known as the 'Methodist Zoo.' It was led by a Mr. Beaver, whose wife also sang in the choir. The organist was a Mr. Whale. The otter had suffered a transformation and was called Otto. In that location it was only natural that there should be a Fisher. Added to these were two Fox sisters and a Miss Rabbit. A Hunter, a Butcher and a Baker, assisted by Miss Jelly, kept the 'Zoo' in splendid condition."

Customs Returns Up

Customs and excise returns for the Dominion were up $440,854 in September, 1935, over the same month last year. This year's figure was $19,537,858 compared with $19,097,004 last September.

Contend Credit Unions Supplementary to Banks

Sponsors of Orillia Proposal Anxious to Work in Agreement With Bankers — Claim Money Will Cost Only 2¾ Per Cent

Orthodox bankers have nothing to fear from a municipal "bank" at Orillia, state those behind the proposal. On the contrary it would be designed to supplement the banks' activities rather than to compete with them. Sponsors of the plan state that they consider the Canadian banking system one of the strongest in the world.

The Credit Union Extension, Canadian Bureau, under whose guidance the plan has developed, is anxious to work in agreement with bankers. It has been suggested by the Bureau that it may be of actual service by taking over small unremunerative accounts. If this were done, some arrangement might be made whereby 75 per cent of the moneys so taken would be re-deposited with the banks in a single account.

Mayor vs. Banks

So far as Orillia is concerned the whole idea arose from a tiff between the banks and Mayor J. B. Johnston. The mayor is reticent about disclosing the details but in a letter to one of the Credit Union men stated: "The whole thing came about that we were having a little difficulty with our banks asking us to submit our budget to them. This I personally refused to do and at the same time told them that if they were not satisfied with our account to say so and we would get money elsewhere."

The situation was noted by those interested in the credit union movement and a proposal was eventually submitted. This proposal is at present before the Orillia council. The idea has spread more recently to Kitchener. At a council meeting there on Sept. 30, Alderman John Walters suggested a credit union for that town and was assured that an investigating committee would be set up.

Legislation Available

The Credit Union Extension claims that to establish a municipal credit union—use of the word bank is illegal—it is not necessary to go through the red tape of municipal politics. In five provinces, Ontario, Quebec, Nova Scotia, Alberta and Manitoba, legislation has been provided for their formation. The Orillia institution, it is claimed, would come under the Ontario Co-operative Credit Societies Act of 1922. It is usually considered advisable, however, to obtain municipal sanction for purposes of prestige, and also because the municipality has generally to guarantee deposits.

The working of the proposed municipal union would, briefly, be as follows: A number of persons would agree to its formation, and would subsequently make deposits. There would be no share capital, but each member would be entitled to one vote as to the conduct of the union, irrespective of the size of his account. It is believed that members would be drawn largely from the class which does not deposit in banks and which has no borrowing facilities other than discount and loan companies.

Character Loans

Loans up to $50 would be made on character; over that amount collateral, for which real estate and automobiles would be acceptable, would be necessary. Any difference between deposits and loans would, of course, have to be invested. The sponsors are of the opinion, however, that demand for loans will always be far in excess of deposits. If funds are invested, trust fund provisions will apply. The rate charged on loans would vary according to the amount borrowed, rising to a maximum of a discount of six per cent a year.

It is proposed to pay the current rate of interest on deposits, and to loan money to the municipality at a figure based on this cost—two per cent. In addition, any "surplus" funds, those which would ordinarily be available for distribution as dividends, would be given to the municipality. In return the municipality would be asked to deposit at least some part of its funds in the institution and also to provide operating premises. A reserve fund would be set up and an appropriation made annually from earnings. Chequing facilities "aren't being discussed" but there will be withdrawal privileges.

Low Cost Claimed

The advantage which the unions claim to have over the banks lies in the cost of doing business. A leading banker recently estimated that the cost of funds to the bank is 4½ per cent. On a similar basis, credit union officials claim the cost to them to be 2¾ per cent. The difference is said to result from lower administrative and overhead costs. Losses on loans by credit unions elsewhere are stated to be less, proportionately, to those suffered by the banks.

The Orillia proposal has been drafted by two men, The Financial Post is informed. They are: Lloyd Jaeger, a Canadian of German descent, who while not a practical banker, claims to have made an intensive study of the subject of co-operative credit; and A. R. Haemmerle, a Russian ex-banker, with previous experience along co-operative credit lines. These two were working together for a time, but apparently have come to a parting of the ways.

Co-operative credit unions are not new. Even in Canada they have been known for some years. But here they have been confined to such forms as the Caisses Populaires in Quebec and employee groups. Municipal unions, however, are known in the Old Country. The Birmingham Municipal Credit Union, for instance, has 356,000 depositors and total deposits amount to more than $76 millions. Eight of the smaller Scottish towns have unions in operation and the city of Glasgow is said to be considering establishing one at present.

Municipal Finances

Calgary's city utilities suffered a net loss of $22,160 on operations for the eight months of 1935. City Comptroller E. A. Hookway states that the greatest loss was that of the street railway department which finished the period with a deficit of $43,301. The water works department reported a loss of $3,276 on operations for the same period. The city electric light department, however, reports a surplus of $24,216.

* * *

Surplus from the operation of **Regina's** public utilities for the first eight months of 1935 totalled $267,348. Light and power surplus for the period was $303,341, water works $39,682. The street railway department had a deficit of $75,675.

* * *

Regina's deficit for the first eight months of 1935 has reached $5,034. Expenditures during the period amounted to $1,152,843, as compared with revenue of $1,147,808. Last year the deficit for eight months was $3,377.

* * *

Regina has spent $67,583 more on unemployment relief from Jan. 1 to Sept. 21 this year than last. The total relief expenditures for the period this year totalled $815,151 as compared with $747,568 a year ago. In the week of September 21 the total number receiving direct relief was 185 families less than at the same period a year ago, 2,033 to 2,218.

* * *

Regina's street railway department reports an increase of $13,174 from operations for the first nine months of 1935 compared with the same period a year ago. The total revenue for the period this year was $163,253 and last year $150,079. In September the revenue dropped from $15,802 a year ago to $15,196 this year.

* * *

Winnipeg city council will debate in the near future the proposals of Ald. M. W. Stobart to submit to the ratepayers a by-law seeking authority to raise $500,000 for a low cost housing scheme. The debt, bearing interest at three per cent would be amortized over a period of 35 years, it was stated.

* * *

London's Westminster Hospital is to have a new 300,000-gallon reservoir. The Department of Public Works has already called for tenders for the reservoir.

* * *

Moose Jaw expenditures for the first eight months of 1935 were nearly $15,000 below and the revenues within $11,000 of the estimate. Actual expenditures for the period were $423,214 compared with estimated expenditures of $438,073. The actual revenue for the period was $247,536 as compared with the estimate of $258,679. Relief accounted for one of the major increases in actual over estimated expenditure. The cost of relief, less the government's share of $322,436 and the amount to be capitalized, totalled $28,896 as compared with $21,910 estimated.

* * *

Montreal's executive committee has been informed by five expert engineers that the best plan for the new intake at Ville La Salle for the Montreal Waterworks is the construction of six 2,200-ft. trunks to stretch under the Ottawa River and tap the purer St. Lawrence water at an estimated cost of $1,200,000. The Commission declared that the present intake repair cost estimated at $200,000 was neither economical nor feasible.

* * *

Brantford is being sued by the National Trust Co., Ltd., on behalf of the holders of $125,000 principal amount of bonds issued by the Brantford street railway. The case dates back to the time the railway was taken over from a private company by the municipality. When the maturity date arrived the Brantford city solicitors contended the city was not bound to pay the bonds.

* * *

Edmonton's 1936 tax rate was seen as 65 mills when the special tax committee of the city council met recently. The increase over the 1935 rate would be 10 mills. Mayor Clarke states that the high rate should be resisted under any and all circumstances and was prepared to seek re-election on a 50-mill rate platform.

The mayor places the cash shortage of the municipality at $900,000 for the year.

* * *

Edmonton's tax collections from Jan. 1 to Sept. 30 this year are up $541,506 over a year ago. The total for the first nine months in 1935 was $3,070,586 as against $2,529,080 for the same period last year.

Credit Not Needed Calgary Finds Out But Keeps Money

After passing a special by-law whereby Calgary sought a continued line of credit from the Bank of Montreal and the loan of $200,000 to meet current financial obligations, the city finds that it won't need the credit. Furthermore, it will be necessary to repeal the by-law.

The city received a certified cheque for the $200,000 from the bank after negotiations with it had been successful. The loan was made on the strength of the fact that the city was being granted $200,000 by the federal government.

The municipality, however, is not returning the cheque to the bank. Interest on more than $50,000 worth of City of Calgary debentures which fell due Oct. 1 was paid. An unstated sum is being deposited in the city's payroll account and the balance will be used to pay current accounts pending collection of taxes.

City officials state that the loan will do much to stave off the city's financial crisis for the next six weeks at least.

Will Use Tree Planting Rebuild Drought Areas

To increase interest in tree planting on the Prairies especially in the areas that have been affected by drought and soil drifting, the Prairie Farm Rehabilitation Advisory Committee will supply gratis farmers with suitable nursery stock. Some financial assistance for certain special projects is also planned.

The policy of supplying individual farmers on the Prairies with free trees from the Dominion Forestry Stations at Indian Head and Sutherland, Sask., will be continued. These are used for farm home shelter belts, and also for field crop shelters or hedges.

Bank of Canada Weekly Statement

Major changes in last week's Bank of Canada balance sheet were an increase of almost $3 millions in notes in circulation and a drop of almost $10 millions in government deposits. The latter item reflects a decrease in reserves held in sterling and in the United States.

Balance Sheet Weeks Ending	Oct. 2 $	Sept. 25 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	86,572,800	83,730,405
Dep.: Dominion	22,179,362	31,951,445
Banks	181,654,667	182,247,765
Other	804,122	709,873
Total deposits	204,638,152	214,909,083
All other liabs.	1,017,840	1,077,899
Total liabilities	297,228,793	304,717,388
Assets		
Reserve: Gold	181,871,739	181,340,757
Silver bullion	1,504,361	1,457,508
Res. in sterling	245,177	2,660,516
Res. in U. S.	2,846,570	9,945,966
Res. elsewhere	5,828	3,515
Total reserve	186,473,675	195,408,261
Subsidiary coin	317,231	313,127
Adv. to govt.	3,472,125	2,764,375
Investments:		
Dom. govt. short.	24,757,199	24,979,143
Other Dom. govt.	79,466,358	79,574,117
Total invest.	104,223,554	104,553,260
Premises	124,730	124,577
All other assets	2,617,476	1,553,788
Total assets	297,228,793	304,717,388
Reserve ratio*	64.03%	65.43%

*Ratio of total reserves to notes and deposit liabilities.

EXPECT TO OPEN IMPERIAL OFFICE IN MID NOVEMBER

Air Conditioning, Vault Construction Feature New Equipment

Construction of the new head office building of the Imperial Bank, at Toronto is nearing completion. All the different contracts are being completed according to schedule, and if the present rate is maintained the building will be ready for occupation about the middle of November.

The transfer of the King and Bay Sts. branch to the new structure was completed a few weeks ago. The next step will be to move a portion of the Leader Lane and Wellington St. branch to the head office premises. This will be done when the section of the banking room now under construction has been finished.

Air Conditioned

The many new mechanical features are now installed and partially in operation. The conditioned air plant has been tested and not found wanting in the parts of the building nearing completion.

The treatment of the air for winter conditions appears to be quite satisfactory and it is expected that the apparatus for cooling and dehumidifying the air in summer weather will operate equally well.

For the benefit of those technically minded, the boilers are water tube type and are heated by oil burners using the heavy grade of commercial oil.

The new safety deposit vault, the last word in protection, is now completed and ready to be filled with safety deposit boxes. Vault walls have been made of thick concrete with very heavy steel reinforcing placed at short intervals. The boxes will be of various sizes, many of them suitable for depositors requiring large cabinets. A special new lock is provided for all boxes. Under this system customers are provided with keys, whose serial number is unknown to themselves or to others until the box is first opened for use. In this way, duplication of keys is quite impossible.

A large number of examining booths will be provided to overcome the possibility of customers having to wait on coupon cutting days.

Microphone Alarm

Protection is also afforded by microphones placed at regular intervals inside the vault. These will transmit any unusual noises to the central office of the protection company which installed them. The remaining vaults used for the storage of securities and money are also of exceptionally strong construction, and are similarly equipped with microphone alarm systems.

Pitblado, Hoskin, Grundy, Bennest and Drummond-Hay
Pitblado, Hoskin, Turner, McEwen and Alsaker
Barristers, Solicitors, Etc.
Hamilton Building
WINNIPEG, CANADA

Weekly Bank Clearings

	Oct. 3 1935 $	Change year ago %	Sept. 26 1935 $
Halifax	2,386,770	—7.2	2,044,231
Saint John	1,899,527	+5.1	1,640,989
Moncton	690,233	+2.3	807,436
Sherbrooke	618,566	—15.2	528,873
Quebec	4,914,591	+5.4	3,743,863
Montreal	100,665,377	—16.9	84,827,836
Ottawa	20,044,114	+312.4	20,348,072
Kingston	668,265	—1.9	589,544
Peterborough	676,967	+0.8	523,801
Toronto	107,102,353	—17.4	101,269,148
Hamilton	4,867,269	+2.9	4,218,991
Kitchener	1,166,259	—1.6	947,553
Brantford	862,756	+6.9	716,276
London	3,322,684	+3.8	2,189,225
Chatham	424,130	—8.4	392,778
Windsor	2,126,380	—11.1	1,932,892
Sarnia	455,997	—3.1	444,737
Sudbury	829,895	+10.0	796,779
Fort William	646,136	—13.7	577,074
Winnipeg	75,617,415	—12.7	61,551,922
Brandon	354,860	—22.6	282,547
Regina	7,059,439	+30.4	5,038,743
Moose Jaw	724,431	+10.0	580,471
Saskatoon	......	.....	1,777,111
Pr. Albert	434,063	+13.8	318,333
Edmonton	4,198,337	—1.6	2,310,430
Calgary	7,757,932	+12.1	6,426,511
Medicine Hat	458,453	+55.8	365,459
Lethbridge	646,038	+32.4	686,241
N. W'minster	827,036	+58.7	528,244
Vancouver	18,376,186	+2.8	14,685,418
Victoria	1,892,026	+4.2	1,568,468

Foreign Exchange Markets

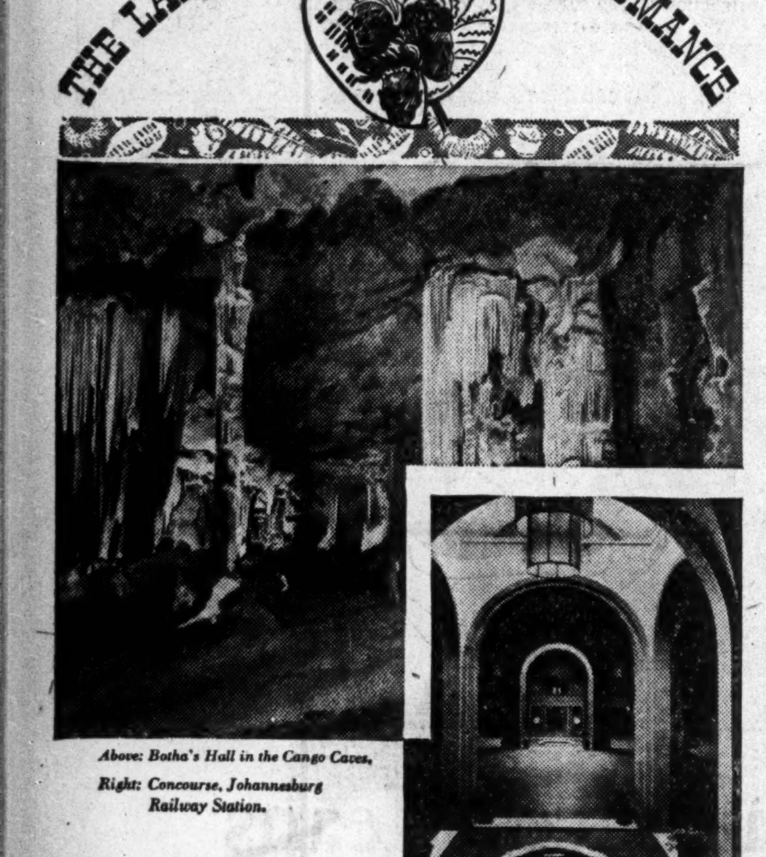
FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Oct. 1	Oct. 2	Oct. 3	Oct. 4	Oct. 5	Oct. 7
U. S. dollar, High	.5906	1.01 1/16	1.01 11/32	1.02	1.02 1/16	1.01⅞	1.01 1/16
Low	.5906	1.01 1/32	1.01 1/32	1.01½	1.01 27/32	1.01 13/16	1.01 1/32
1934, High	.5906	.98	.97 15/16	.97¾	.97 15/16	.97 29/32	.97 15/16
Low	.5906	.97⅜	.97 11/16	.97½	.97⅝	.97 21/32	.97⅝
U. K. pound	4.8665	4.97	4.97¼	4.99¼	4.98¾	4.96¾	4.96
Argentina	.4246	.2775	.2790	.2818	.2803	.2801	.2778
Australia	4.8665	3.9700	3.9695	3.9845	3.9808	3.9652	3.9626
Austria	.1407	.1913¾	.1917¼	.1925½	.1926	.1919	.1912¾
Belgium	.1392	.1711½	.1714¾	.1722	.1722¼	.1715	.1708
Brazil	.1963	.0562	.0568¼	.0570¾	.0586	.0619	.0612
Czechoslovakia	.0296	.0419½	.0420	.0422	.0423	.0421¼	.0419¼
Denmark	.2680	.2218¾	.2220¾	.2231	.2229	.2214	.2216
France	.0392	.0667½	.0668½	.0671	.0671	.0668	.0665¾
Germany	.2382	.4079¾	.4083¼	.4099	.4100	.4081	.4069½
Greece	.013	.0095¾	.0096	.0096	.0096	.0095¾	.0095¼
Holland	.4020	.6863	.6869½	.6888	.6889	.6857¼	.6834
Hungary	.1749	.3004	.3009¼	.3022¼	.3023¼	.3008½	.3004
India	.3650	.3788	.3788	.3804	.3802	.3777½	.3774
Italy	.0526	.0828	.0826	.0826	.0827½	.0825½	.0824
Japan	.4985	.2920¾	.2943½	.2930¾	.2926½	.2900	.2897
Jugoslavia	.1929	.0232¼	.0232½	.0233¼	.0233¾	.0232¼	.0232
New Zealand	4.8665	4.0100	4.0096	4.0247	4.0209	4.0052	4.0026
Norway	.2680	.2497¼	.2500	.2509¾	.2508	.2492	.2494½
Poland	.1122	.1915	.1917	.1924	.1926	.1919	.1912
South Africa	4.8666	4.9475	4.9471	4.9656	4.9610	4.9415	4.9384
Spain	.1929	.1384	.1386	.1391	.1391¼	.1385	.1381¾
Sweden	.2680	.2563	.2565	.2577	.2572½	.2558	.2559¼
Switzerland	.1930	.3300¾	.3306¾	.3318½	.3319	.3303¾	.3293½
Hong Kong	.5422	.5111	.5110½	.5142¾	.5139	.5129	.5108¼

COTTON FABRICS AND YARNS

DOMINION TEXTILE COMPANY
LIMITED
MONTREAL TORONTO HAMILTON WINNIPEG VANCOUVER

THE LAST LAND OF PRIMITIVE ROMANCE



Above: Botha's Hall in the Cango Caves. Right: Concourse, Johannesburg Railway Station.

THERE IS COMFORT, TOO, FOR YOU IN SOUTH AFRICA

As you go about South Africa to see its wonders—Victoria Falls, Kimberley, the Cango Caves, the age-old ruins of Zimbabwe, you go in comfort. The hotels are comfortable, the railroads are modern, the passenger airway service is of the latest type. Even the climate is comfortable—equable in temperature, with nine hours of kindly sunshine a day.

In Kruger National Park—eight thousand square miles of natural game reserve, where you find native beasts roaming the bush, there are well-appointed rest camps. You can attend native ceremonials at kraals located almost next door to city civilization.

And there is much to see and do in the cities; places such as Cape Town and Johannesburg are thriving cities where quaint architecture nudges modernistic buildings. There is Durban with its world famous beach, its cosmopolitan throng, its bazaars just a stone's throw from palatial hotels. For literature on this sister Dominion, call or write:

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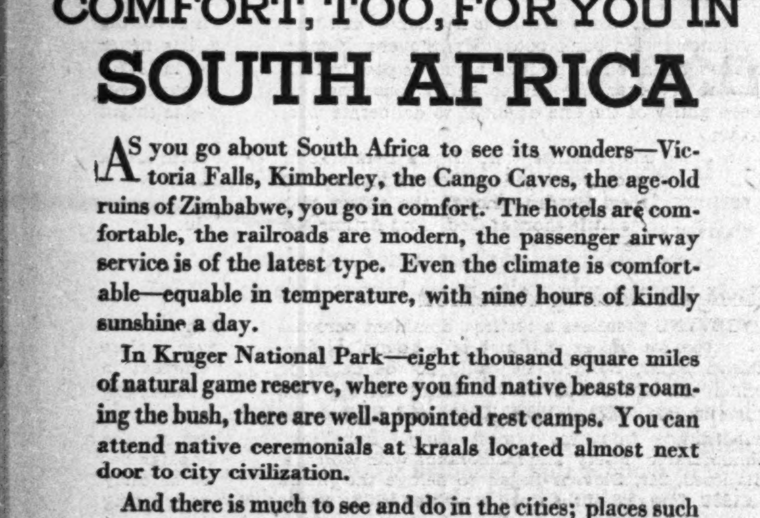

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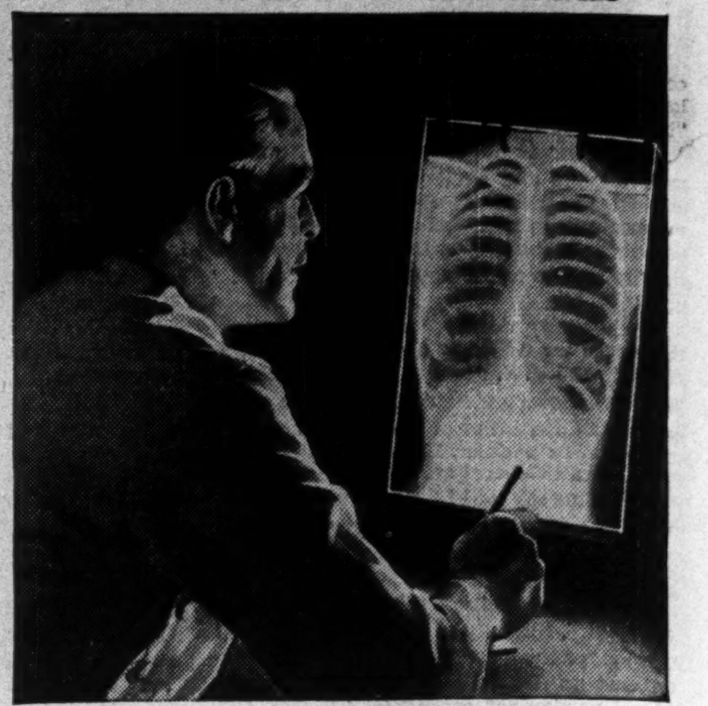

If there are hidden shadows of the disease, they are revealed by the penetrating eye of the X-ray.

THERE were fewer new cases of tuberculosis in 1934. The deathrate from this disease in this country was lower than ever before. But this good news from those who are resolutely fighting tuberculosis should not blind one to the fact that about 7,000 persons died last year in Canada from tuberculosis and that it is still the leading cause of death between the ages of fifteen and forty-five.

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SECOND SECTION

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Canada's Next Prime Minister

Voters Know the Politics of the Four Major Leaders Facing the General Election Next Week, but Little of the Men Themselves—Bennett, King, Stevens and Woodsworth Revealed by Grant Dexter

THE public these last six weeks has had a ringside seat at a political show without precedent in our history. They have watched one man—weighed down with five years of unremitting toil, with a record of failure, (where perhaps success was not possible), deserted by friends, assailed by a lifelong companion-in-arms—watched him step into the national spotlight and achieve by sheer courage and force of character an overwhelming personal triumph. That man is R. B. Bennett.

He is, beyond all question, the mighty atom of Canada's political firmament. He rallied his party from the deepest depths of discouragement and defeat. As his voice sounded from tens of thousands of radios, shivers ran up and down the spines of his opponents. To every test he has risen with the calm courage and fearless confidence of the born leader of forlorn hopes.

Throughout a campaign which can scarcely bring him victory and may well write "finis" to a long, a brilliant career (he is now 65 years of age), Mr. Bennett has moved with a serenity and calmness which marks the mind which can rise above either defeat or triumph.

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Are Many Mr. Bennetts

THUS it is that the prime minister has supplied his friends and foes with perhaps the greatest of the innumerable surprises which have marked his career as a party and national leader. Long ago, close observers of our political field marshals noted in Mr. Bennett an amazing, baffling combination of individuals.

There is Mr. Bennett the reformer: Mr. Bennett the constitutionalist.

Mr. Bennett the Conservative, and another and equally captivating Mr. Bennett the non-partizan.

There is Mr. Bennett the man of war, the nationalist, the shaker of the mailed fist. And right alongside him is Mr. Bennett the man of peace, the apostle of the Sermon on the Mount, the internationalist and the lover of "all God's chillun."

Then, too, there is Mr. Bennett the martyr, the great man who sees himself traduced and mud-spattered by the gangsters of public life. But no sooner does one focus clearly on Mr. Bennett the martyr than the figure dims and re-limns itself into Mr. Bennett the proud servant who says (and means it) that it has been a precious privilege to serve his country in its darkest hour.

There are these and many more Mr. Bennetts. They are all clear and unmistakable in their outward manifestations, and yet inextricably confused in one and the same human body. They are, perhaps, the proof of the fact that Providence, in her blindness, showered almost every conceivable talent upon him. True, they are so numerous that they get into debates with each other. What one does, another may undo.

Orders issuing from Mr. Bennett the reformer are frequently countermanded in ringing tones by Mr. Bennett the Conservative, or Mr. Bennett the constitutionalist. Throughout his term in office, the charge has frequently been made that his was a one-man government. This is true. But his critics possibly overlooked one fact which explains much that has baffled Canada with regard to him. He is in himself more than a cabinet. Mr. Bennett could man every portfolio in the government and still have a few personalities left over to run the opposition parties and the provincial governments. He is, in truth, an army in himself.

There were, of course, other and still more baffling consequences of this array of Mr. Bennetts. Much of the indecision, the lack of follow-through which has marked government policy in the past five years, was due to the multi-personality of the man.

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Super-concentration

MR. BENNETT'S mastery over men springs from his innate and unshatterable sincerity plus a strange intensity of mind—a capacity for super-concentration. He sees things so clearly that the background and the perspective tend to disappear and the first thing the country knows Mr. Bennett is talking about a relatively trivial matter as though the future of civilization depended upon a right decision. It was this quality which led him to deal as he did with the unemployed trekkers at Regina. Yet it is the same quality which enables him to attack and occasionally to master the most involved problems of trade and finance, to study intensely for hours when other men would ponder for days. An inevitable result is that he often acts upon half-truths and inadequate study.

Mr. Bennett's sincerity is beyond all doubt. Indeed, sincerity bubbles up within him, overflowing into the farthest reaches of his public policies. He has the queer capacity to infect himself with sincerity. When he makes a sudden shift in policy and cynical observers think it merely another exercise in vote-catching, they wake up a day or two later to discover that the new policy with Mr. Bennett has become a fit cause for a 20th century crusade. He throws himself into the fight with fanatical abandon. Before the flaming purpose of the man, talk of insincerity shrivels up and dies.

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Wins Plaudits But Not Votes

IT IS his misfortune to possess the sort of vibrant, dominant personality which affects others much as a magnet affects other magnetized particles. To some the attraction is irresistible: to others the antagonism is little short of nauseating. Under the impact of Mr. Bennett, people cleave naturally into two groups. One comprises his devoted followers: the other his implacable enemies. It has been said of him, and by a colleague, that he counted that day lost when he did not insult one or more of the Conservative faithful and win the praise (but not the vote) of some lifelong Liberal.

From his followers he expects devotion, sacrifice and, in particular, no thought of self interest. This, incidentally, is the measure of his own public service. But nothing pleases him so much as to win the plaudits of his enemies. At least, only one thing does—the full exercise of his matchless power of repartee. Hansard sparkles with his shafts.

But while Mr. Bennett is at once the best loved and most hated public man of his day, his personal relationships are a sure mark of those finer characteristics which mark the real man. Those who work for Mr. Bennett look upon him with little short of adoration. These are the John I. McFarlands and the Victor Drurys who have been intimately, inseparably, associated with him for two decades and more. But he has few real friends among newspapermen. He distrusts them and does not see them as human beings but as pestilential nuisances.

But his enduring friendships with other men attest the fact that behind the glittering facade of intellectual attainments, there is a warm heart and a generous hand.

He has, in his make up, a dash of Haroun al Raschid. He is an inveterate gossip and, it would seem, prides himself on knowing more about people than they believe anyone could know, other than themselves.

A POLITICAL opponent once remarked that fighting Mackenzie King was not unlike punching a feather pillow. Your fist struck home; you felt the pillow yield; you thought you were beating down the obstacle. But suddenly you discovered that although the pillow yielded to each blow, it inevitably bulged out in another direction. If you hit it at the bulge, you flattened the pillow again but the hole made by the original blow filled up as by magic.

After an hour, a day or a year of this sort of punishment, the pillow looked just as good as at the outset, but your blows, somehow, lost their power.

If Mr. Bennett is the embodiment of conviction, finality, assurance, positiveness, Mr. King is just about the opposite.

The Highland Scot predominates in his mental make-up—canniness, caution, an extraordinary capacity to see both woods and trees. Mr. King, like his chief opponent, is a man of various personalities, but he is not nearly as baffling in the range and intensity of his moods and changes. There are really but two Mr. Kings and of these but one is important.

• • •

Only Two Mr. Kings

MR. KING'S attitude to party and national leadership is precisely the opposite to that of Mr. Bennett. The private citizen—Mr. King—is a person with strong and clear convictions. He will tell you, quite frankly, what his views are on any question of the day.

The public man—Mr. King—is quite a different fellow. It is distinctly not the business of a party or national leader, in his view, to get the two points of view confused. With Mr. Bennett, personal conviction on a public issue means instant combat. With Mr. King, personal conviction remains just that and is not entitled to any more consideration at the hands of the political leader—himself—than the personal views of any other member of the party.

It is the job of a leader, he thinks, to gather up all the views of his party or of parliament, to compromise here and there and, finally, to produce a statement of policy to which all the party and, if possible, all the Commons and, therefore, all the country, can subscribe.

In a word, where Mr. Bennett is the fiery crusader for the beliefs of Mr. Bennett—Mr. King is the conciliator, always seeking to harmonize as many conflicting viewpoints as possible. Whether he is the conciliator by nature or by virtue of his training in Democratic party politics is unimportant.

Against this background, much that has transpired in the present campaign and in the past five years becomes intelligible. To Mr. Bennett, the leader of the Liberal party is just a feather pillow. The prime minister sees in his chief opponent everything which, to his intense, lucid mind is weak, vacillating and unworthy. Mr. King's indefiniteness simply agonizes Mr. Bennett. Mr. Bennett believes so utterly that he is right, that other points of view, either cease to exist in his mind or become definitely identified with base motives. Mr. King is so acutely aware of different points of view among his followers and in the country that his own opinions become small factors and his entire effort is exerted to obtain unanimity on policies as close to his as possible, but at all costs unanimity.

It is, after all, the difference between a crusader and a conciliator; between the born dictator and the born party leader.

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Has Delicate Approach

TO MR. KING, the Conservative leader has been a wild bull dashing about amid stacks of the most fragile china. His approach to problems has been wrong; his extremes of policy have been a calamity; his dominant attitude toward party and Parliament has been suicidal.

In Parliament, the far-seeing Liberal leader has consistently outguessed and outmanoeuvred the prime minister. He has shown Mr. Bennett, in matters of finesse and strategy, to be a babe in arms. But on the stump he has, time and again, been in danger of being blown away like chaff before a fan, by the sheer power of the prime minister.

In his personal relationships, Mr. King is a kind and courteous man—in every sense a gentleman. He is a man who desires and seeks solitude—and finds it. Crowds, people in the mass, are things to be

avoided; the open countryside, the woods, the hills and the fields, are things to be sought. It is one of Mr. King's beliefs that if you would have your character attain fullest development, if you desire to grow in power over men, you should cherish your own individuality. Otherwise, you inevitably will become identified with one group or another and thereby forfeit independent judgment. He does not mind submerging his views; but he does not want to lose them.

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Develops Lieutenants

IT IS on this principle, if it may so be called, that Mr. King has built a career of amazing success. It was in this way that he managed to govern Canada for four years without a majority; that he healed successive breaches in the Liberal party; that he settled such knotty national problems as the western resources question.

It was also as a result of this concept of leadership that Mr. King always managed to surround himself, in office, with men of national reputation. His cabinets were noted for two characteristics. The ministers—to quote the Tarte phrase—"fought like hell." The prime minister intervened seldom, if at all, but demanded that they come to an agreement. Periods when Mr. King was in office have always been marked by the emergence of national figures from the rank and file of the cabinet. Dunning, Robb, Lapointe, Ralston, Euler—these were never known as yes-men or rubber stamps. And this, thinks Mr. King, is as it should be. Indeed, his periods of power have invariably served to enhance the reputation of others and obscure his own. And the reason, of course, is that he declines to accept the dominant rôle and cleaves, instinctively, to the rôle of mediator.

The wonder of it is not that he has remained leader of the Liberal party (his past successes explain that) but that he was ever chosen to shoulder the mantle of Laurier.

For one who has spent some 35 years in public life, Mr. King is extraordinarily sensitive and shy. He appears in press and news-reel photographs much as the small boy tip-toeing out of the pantry after a cookie raid. He is, in fact, the most camera-shy politician in the country.

LOOKING at J. S. Woodsworth, as he appears night after night on the hustings, the people see a thin, wiry man, in his late fifties, grey mustache and Van Dyke, greying hair, shoulders slightly stooped. Listening, they cannot but be aware of the utter honesty and deep convictions of the man.

What they see and what they hear do not jibe, somehow, with what they are told about him. He is alternately held up as a "radical of the better sort," or as a sinister figure in our public life, the friend and active ally of Communism.

Considering his background there is something grotesque and astonishing that Mr. Woodsworth is not better understood. True, he is the last man in the world to be the leader of a so-called Labor-Farmer party. But then, he has in fact gradually transformed this aggregation into a Socialist party.

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Woodsworths Came With the Bennetts

WHEN people represent Mr. Woodsworth as a dangerous radical, the sort of person who has no roots in Canada's soil, an outlander who carries on a self-imposed crusade against Democracy as we have known it—they speak without knowledge of the man. When the

Bennetts trekked from the United States after the revolution to build a new home under the British flag, they went to the Bay of Fundy and began building tall clipper ships.

At the same time the Woodsworths trekked northward from New York and became leading citizens in the village of York—now Toronto. At York, a generation later, Richard Woodsworth unsheathed his good broadsword and helped to run William Lyon Mackenzie and his reformers out of the country.

Grandson Mackenzie King and Grandson James S. Woodsworth have just about reversed the rôles. About all that remains, above ground, of this stirring episode, is the great broadsword, with wrought iron hilt, which hangs over the Woodsworth fireplace.

In the intervening years, the Woodsworths contributed more than their share of leaders in the field of religion, commerce and the arts. Rev. James Woodsworth, father of the C.C.F. leader, was the founder of the Methodist church in Western Canada, where he went as a missionary in the early 80's. The boy "J. S." was travelling the western prairies in a buckboard, tearing into Calgary behind a team of unbroken bronchos, before one Richard Bedford Bennett ever thought of the West as his land of promise.

All of which is to say that if there is blue blood in Canada, if in three generations of "setting" any cream has risen to the top of the milk of Canadianism—Mr. Woodsworth has indisputable claims both by ancestry and by the right of his own contribution to this country. He has come to leadership in public life via the college campuses of Toronto and Oxford, the Methodist pulpit, welfare work among New Canadians (concerning whom he is undoubtedly our foremost authority), social service organizations and red cross activities.

The wonder of it is that so strange a person should ever have sprung from "Applewood," Islington, Toronto, breeding ground of staunch defenders of the established order. For Mr. Woodsworth is a pacifist. His convictions in this regard in 1915 proved stronger than the ties of blood and tradition; they were strong enough to close a career which had brought public welfare work in half of Canada under his personal direction.

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Foe of Communism

COMMUNISM which believes in the use of force to achieve the aims of Socialism, recognizes in Woodsworth its greatest single obstacle to success. Communists hate him as the great betrayer of the class movement in Canada. There is something inexpressibly cheap and tawdry in his political opponents referring to him as, "a radical of the better sort," or as the ally of Communists. Woodsworth springs from one of the truly great families of Canada; a family which is great because it served and a family which in the last two generations never sought or cared for material reward.

As leader of the C.C.F., or any other political party, Mr. Woodsworth is hopelessly miscast. His talents, as they have been disclosed in 14 years of public life, appear not to run to the involved, baffling intricacies of government. He is a reformer, a welfare worker, and would have found his great mission as the instrument of, rather than as a principal in government.

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Blind to Practical Business

WHEN Woodsworth looks at Canada, he doesn't see the business community, the maze of the distribution machinery, the spider-web delicacy and precision of the financial system. He does not appreciate that all these have been generations in building and that improvement must be made while the whole machine continues to operate. He does not think of the bulk of the people who earn a living as a result of the operations of this machine.

When he looks across the provinces he sees slums, impoverished farmers, the undernourished and the underprivileged. Theirs is the token that flutters from the Woodsworth lance.

It is a queer sort of blindness from which he has always suffered. Saddest of all, it is a blood disease. His father and preceding Woodsworths had it, too. But the earlier Woodsworths operated under the check-rein of so-called hard-headed business. They beseeched and begged from the rich and not-so-rich all they could, and this they lavished with their hearts and minds thrown in for good measure upon those in need.

Where Woodsworth broke from tradition was in seeking to replace the soundness of business control with the hot, emotional mentality which "gives its all." He came honestly to Socialism for the simple reason that he believes that under complete government control the wealth-producing system could somehow be made to continue to function and the profits spread evenly over the people.

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Politically a Failure

AS A political leader he has been a dismal failure. Even Mr. Bennett outmanoeuvred him as a reformer this year. Except as the champion of the submerged masses he completely lacks the dominant characteristics essential to successful party leadership. He can discipline himself but not his scant followers.

If Parliament could pass a law banishing Mr. Woodsworth from politics, placing him in command of all private social service work and giving him what money could properly be spared for that purpose, every city, town and hamlet a century hence would honor his memory. As it is, he appears fated to go on building castles of sand.

FOR sheer interest and excitement, one man in this election campaign has been a bigger drawing card than any other. He is Hon. Harry Stevens, Bristol-born bantam, who hopped, unexpectedly, into the political ring last July, and who has been glorying in his beak and spurs ever since.

To Liberals, Mr. Stevens is just another Tory, and not a distant relative to those long-whiskered individuals whose abandonment of the holds of malodorous, plague-ridden ships foretells wreck and disaster.

To Conservatives, Mr. Stevens appears not unlike the apostle who betrayed his Master. This, at least, is Mr. Bennett's figure of speech.

To the C.C.F., Mr. Stevens is the pure and unadulterated political adventurer and careerist.

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Always a Crusader

THUS bitter are contemporary judgments on one whose feet have always itched at the call of adventure, who blistered his youthful soul copying down dull figures in an accountant's office at Vancouver, who saw real life open as an alderman and finally as an M.P., a cabinet minister and now as a party leader.

Mr. Stevens is a perfect laboratory specimen of the highly emotional, evangelical type of public man. It would be a safe bet that not once in his life has he, dry-eyed, read those lines:—

> So nigh is grandeur to our dust,
> So near is God to man;
> When duty whispers low, "Thou must,"
> The Youth replies, "I can."

Life for Mr. Stevens has been an unending series of trumpet calls to duty. At the beginning it was the Boxers over in China who were carving up Christian missionaries. Mr. Stevens served in China. Then it was a crusade against civic imperfections in Vancouver. A crusade against "Asiatic Immigration," followed, still later, one against the "High Cost of Living." Next it was the Customs administration which called for the cleansing fire of this champion of right. In 1930 it was a crusade to banish unemployment by high tariff. Into the series of advertisements published in the fall of 1930 and concluding with the famous "creed," Mr. Stevens poured the full stream of his fiery ardor.

Sees the Trees But Misses the Woods

BUT with this flaming enthusiasm which welcomes all hopes, however forlorn, Mr. Stevens has another dominant characteristic. His mind is almost faultlessly logical and clear, too much so to be either accurate or reliable. Mr. Stevens has seen every tree on his ever-changing horizon but he has yet to perceive the surrounding woods.

In some ways he is remarkably like Mr. Bennett. But he lacks the many-sided nature which enables different viewpoints to be appreciated.

Mr. Stevens realized along about 1933 that high tariff was not delivering the goods. Why not? He concluded that the only possible explanation was that employers, mass buyers, chain stores, were not playing the game. Hence his Price Spreads crusade and his present policy of government regulation to compel employers, under tariff protection to pay high wages and work men shorter hours.

The Stevens career has been a tangle of good and ill. Without sound judgment in business, deficient in foresight, he has made numerous mistakes in his personal affairs. There was the oil company scandal in 1926 and there is, today, the Manufacturers' Finance débâcle.

Mayhap he has always been over-trustful and no doubt his friends have not always served him well. Yet some people ask how Canada's No. 1 critic of business gets that way when he knows so little about business.

This is not to say that he is not honest and true. There is revealing evidence in his bank book. Mr. Stevens, it may be said, has never made a dollar out of politics, is just as poor in 1935 as he was in 1911—probably poorer. He has no guilty conscience because he has never been guilty of the one essential to deliberate wrongdoing—the intent to sin.

Like all emotionalists, (and Messrs. Bennett and Woodsworth are of the ilk), he is desperately loyal where his heart is pledged. He looks upon Sir Robert Borden—though the object of his regard may not reciprocate—as little short of God. And Arthur Meighen to him is still the peerless leader.

Long-smoldering Rebellion

STEVENS possesses a restless, dominant personality which requires scope for the expenditure of a boundless energy. Never a close friend of Mr. Bennett, he could not be happy in a government in which the leader was forever taking the big jobs, wheat marketing for example, into his own hands and issuing peremptory orders to subordinate ministers almost daily. Rebellion muttered in the innumerable "briefs" and memoranda with which, as this campaign has disclosed, Mr. Stevens began to deluge the prime minister as early as 1931. The rest of the story is written in the correspondence covering the fateful clash over the Price Spreads pamphlet.

There are those who feel sorry for the words which are being bandied across footlights and over the air in these last hectic weeks. They might save their sympathy. Mr. Stevens was reared in a hard school—British Columbia mainland politics—where no one has ever been known to shrink from calling a spade a spade. Indeed the 1935 campaign is probably refreshingly impersonal to Mr. Stevens after the "Slippery Harry" assaults of 1930.

Impatient of Detail

THE key to his character, the clue which explains the bitterness of the present campaign and the mistakes of his past, is to be found in his insuppressible talent for dramatizing himself in the rôle of the saviour of the people, for fomenting public or private crusades and surrendering to them the whole of his heart and mind to the exclusion of all else. To look after his own private fences, to make a success of business or of a department of government, Mr. Stevens has never had either the time or patience. For him there has always been some great cause which blotted out all else. It is a tragedy, no doubt, that the curtain should have remained up all the time.

Nevertheless, as a crusader he has chilled the blood of the two old parties and has demonstrated quite clearly to Mr. Woodsworth how the thing may be done. The value of the demonstration, of course, will be lost on Mr. Woodsworth, but it does argue strongly against any immediate closing of the Stevens record in public life.

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Record Actuarial Meeting Discusses Social Insurance

Representatives from Canada and U. S. A. Give Much Thought to Social Security Measures

Insurance Toronto entertained last week the largest gathering ever assembled under the auspices of the Actuarial Society of America. From all parts of Canada and the United States came 266 actuaries to listen in on the autumn deliberations of the society, now in its 47th year.

In the chair was John G. Parker, actuary, Imperial Life Assurance Co., who next spring will complete a two-year term as presiding official of this important insurance body. Apart from social activities, the meetings of the society are divided into two parts. On the one hand, new papers are read; on the other, members take time to discuss at length papers which have been read at the previous meeting six months before.

Social Security

Most important new topic at the Toronto meeting was "Social Security." From the United States several experts, including President M. A. Linton, of the Provident Mutual of Pennsylvania, discussed reserve provisions of the new U.S. federal old age security programme, while Ottawa's venture into the same field was reviewed by Canada's No. 1 expert, Hugh H. Wolfenden.

Challenge of Canadian Act

In Mr. Wolfenden's view, the new Canadian employment and social insurance legislation is at least an "honest channel" to attack the problem of financial distress which accompanies unemployment. He believes it to contain (despite its cold and formal phraseology) "a challenge from which few persons can escape."

He summarizes his conclusions as follows:

"Dealing essentially with a problem in human relationships, this legislation will put to a severe test the administrative capacity and co-operative ability of the Canadian people. Both as a problem in organization, and as an experiment in citizenship, there is inherent in the cold wording of its formal phraseology a challenge from which few persons in the Dominion directly or indirectly, will find it possible to escape.

"In legislation of this character, moreover, it is essential to bear constantly in mind that, in respect of many of its features, some slight alteration of administrative viewpoint might discover with unexpected swiftness an opportunity to change much of the philosophy underlying the whole scheme.

"In some quarters it has become the fashion to decry adherence to a philosophy which places in the forefront of its tenets a belief in the use of governmental funds only as a supplementary or ultimate resort. But whatever views one may hold on such matters, and even though all such legislation must embody compromise, as this Act does, so that perhaps no person who studies it will find in it all his creeds, or even most of his faith, it may be hoped that it does contain enough of thoughtful care and common sense to ensure at least that it will provide an honest channel for an attack upon the problem of alleviating the financial distress which so often follows unemployment."

Sceptical of U.S. Plan

Political considerations, thought Mr. Linton, are dominant in determining the success or failure of the U.S. programme which involves the building of a huge reserve fund of 47 billion dollars within 45 years to support the contributory old-age pension programme. He pointed out that as now planned, the building of the fund would require a huge excess of taxes over and above benefits and payments, and amounting to as much as 1¼ billions in 1950. The thought that Congress would actually be willing to add hundreds of millions of dollars each year to a fund already running into millions of dollars seemed, to Mr. Linton, highly fantastic and he expressed the view that other things are almost sure to happen before that time is reached.

Dangers Stressed

"Much more likely," said Mr. Linton, "is action by Congress to increase the pensions, lower the pension age or spend the money for extraneous purposes which would be politically advantageous. Increasing the future pension load might be extremely serious and cause the system eventually to fall of its own weight, Spending the money for extraneous purposes would not achieve the objectives for which the reserve is to be built—namely to lighten the load on future generations as they face the problem of meeting 3½ billions of benefit payments.

Mr. Linton urged that actuaries give the whole subject the most careful study with a view to making constructive suggestions and that in such study the broad principles underlying the British contributory plan be given much consideration.

A further evaluation of the U. S. social security legislation by Otto C. Richter of American Telephone & Telegraph, and W. R. Williamson, of the Travelers Insurance Co., reviewed the genesis of the proposal and gave a comprehensive outline of the legislation as now formulated. It stressed that further research in co-operation with professional groups was needed and noted that the level premium idea of life insurance; cash values, specific interest rates, underwriting or selection and exactness of cost estimates, were all qualities of insurance which were not applicable to social security plans.

Discuss Incontestability

Important also was a discussion of the paper read at the spring meeting of the society by J. M. Laird and B. M. Anderson, on the contestability clause in the life insurance contract. The discussion drew sharply into focus the anomalies of the U.S. situation where lack of a statutory definition such as is commonly used in Canada, leads the way to considerable fraud with accompanying loss to companies.

London Life Co. Expects Good Gain

A further substantial gain in insurance in force during 1935 is expected by London Life Insurance Co. Insurance in force at the end of August was reported by the company at $511 millions, a gain of approximately $10 millions over the corresponding figure at the end of 1934.

During July and August the gain of business in force totalled over $5 millions, which has been achieved in spite of the fact that the company voluntarily lapsed a large amount of industrial business of doubtful quality and that optional retirement annuities are not now included in the total for business in force.

AETNA CHANGING DIVIDENDS, RATES INTEREST EARNINGS

New Schedules Come Into Effect Beginning of 1936

New dividend scales for 1936; new interest rates on policy proceeds left with the company, and the placing of all participating business on a three per cent reserve basis after January 1, 1936, are important announcements made last week by Aetna Life Insurance Co.

According to a letter sent to the company's field force by President M. B. Brainard, the new dividend scale gives effect to the reduced prevailing rate of interest, and also to improved mortality and economies of management. The net result, the company says, is an increase, generally speaking, in dividends during the first twenty years of premium paying policies but a reduction in dividends on paid-up policies and on policies of long duration arising from the lower rate of interest used. The new dividend scale requires the appropriation of approximately the same amount in the aggregate as the old one.

The rate of interest allowed in the participating department on the proceeds of policies left with the company and on dividend accumulations for all payments falling due in 1936 will be 3½ per cent. This is a reduction of half of one per cent.

A similar reduction to 3½ per cent will be made in the non-participating department on funds held by the company.

After Jan. 1, 1936, all new participating policies will be written on a three per cent reserve basis. New participating premium rates and non-forfeiting values will be placed in agents' hands at an early date, says Eastern Underwriter.

HUGH CANNELL GOES TO MONTREAL LIFE

Mutual Life Underwriter Moves to Nova Scotia

Montreal Life Insurance Co. has announced appointment of Hugh Cannell as provincial manager for Nova Scotia with headquarters at Halifax.

Starting with the Sun Life in 1911 in New Brunswick Mr. Cannell moved to Halifax with the Equitable Life of New York. In 1912 he was appointed manager for Mutual Life of Canada at New Brunswick. Subsequently, he was employed by the same company in Montreal for four years and in Vancouver for three years. Returning to Montreal (still with the Mutual Life) he has until his new appointment been a special representative for that company in that city.

A former president of the Life Underwriters Association of Canada and vice-president of the National Association of Life Underwriters of the U.S.A., Mr. Cannell has worked actively in the interest of the agency association movement. He took his C.L.U. examinations in the second year of the establishment of that degree and is one of the few life members of the Dominion organization left today. Only nine men were given that honor as a reward for services rendered in the furtherance of this movement throughout Canada.

Actuarial Chief

John G. Parker Brings Unique Leadership Into Canadian and International Insurance Affairs

By KENNETH R. WILSON

Last week three hundred actuaries from all parts of the continent met in solemn conclave at Toronto. They were observing the fall deliberations of the Actuarial Society of America —now in its 47th year of existence.

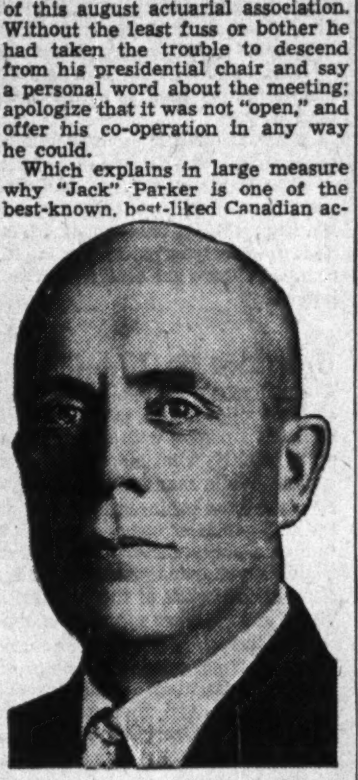
The door of their meeting place was open wide, so I walked into one of the meetings and sat down.

In a few minutes a ruddy, broad-shouldered figure slipped into a seat beside me and explained (with a smile) that actuaries are self-conscious individuals when meeting "en masse," who prefer to be left alone in their deliberations.

Genial President

It was J. G. Parker, actuary of the Imperial Life Assurance Co. and for the past year and a half president of this august actuarial association. Without the least fuss or bother he had taken the trouble to descend from his presidential chair and say a personal word about the meeting; apologize that it was not "open," and offer his co-operation in any way he could.

Which explains in large measure why "Jack" Parker is one of the best-known, best-liked Canadian actuaries on this continent; why he has for years been chairman of the famous Canadian "Joint Committee" that has smoothed out real and potential troubles among field force, managers and company officials across the Dominion, and which is a model organization of its kind anywhere insurance is known and written; why he is the only man to have been president both of the Actuarial Society of America and of its sister body, the American Institute of Actuaries.



JOHN G. PARKER

Gold Medalist

One of a family of ten, John Parker was born 52 years ago in Cayuga, Ont., where his father (formerly a farmer and storekeeper) was registrar of Haldimand County. Proximity to the Grand River gave him a taste for canoeing—his favorite sport; his other athletic interest when he went to Toronto University at age 17 was the gymnasium team of which he was a member. In 1904 he graduated with a gold medal in mathematics; was asked by G. Cecil Moore to come and help Imperial Life with some mortality tables. In those days Mr. Moore was associate actuary of the company, Thomas Bradshaw, actuary.

But $25 a month (the current pay for actuarial juniors in those days—it is now nearer $60) seemed pretty small compensation, so for two years the gold medalist returned to Varsity and lectured in mathematics where tutoring, plus a fellowship, brought three times the monetary reward of the insurance office. But two years brought a change of heart and saw him once more with his friends at the Imperial. By 1912 he was assistant actuary; 1914 associate, and 1923 in complete charge of the department.

Long Association With Society

His interest in actuarial society matters began thirty years ago when he first became an associate of Actuarial Society of America. This body with headquarters in New York looked after the needs of the profession in the East while a sister body (American Institute of Actuaries at Chicago) ministered to the profession in Western States.

In recent years Mr. Parker has devoted much effort to eliminating overlapping between these two bodies, no longer separated to any extent by geography. When he was president of the American Institute a few years ago he attended in that capacity the International Congress of Actuaries being held at London and received that rare distinction in the actuarial world—an honorary fellowship in the British Institute of Actuaries.

Expert on Co-operation

In his presidential address to the Actuarial Society this week he spoke on the topic "Co-operation." It was an excellent address which paid due tribute to the work done by the Canadian Life Insurance Officers Association in its 41 years of operation; to the Insurance Institute movement in Canada; to the unique Actuaries' Club of Toronto to the medico-actuarial committee; to the "Joint" Committee of which he is now chairman; to uniform life insurance legislation in Canada. Its one weakness was that it obviously overlooked the contribution of its author to the great strides toward co-operative effort made by the business in Canada in the past few decades. Few men on this continent have done so much toward furthering this cause as J. G. Parker; even fewer could have achieved such widespread popularity in the doing of it.

He is far fonder of golf than his score would indicate but outside life insurance has few interests. His only son has started in his father's footsteps by exposing himself to that breeding ground for actuaries—the Mathematics and Physics Course at the University.

Future of Life Insurance

Mr. Parker thinks life insurance has a great future which has been even brightened by the experiences of the depression.

"The office door is usually open to us today, where it was closed twenty years ago," he says. "As I see it, that is because our representatives are better educated and are really selling service rather than trying simply to get names on the dotted line."

THE DOMINION LIFE ASSURANCE COMPANY
HEAD OFFICE • WATERLOO, ONTARIO
Our new booklet "WHAT IS A LIFE INSURANCE PROGRAMME?" gives you the 5 essential points of protection every Life Insurance Programme should embrace. Write for it.
FIRST POLICY ISSUED 1889

THE MONARCH LIFE
Is a Good Company
Established—1906
Offices From Coast to Coast

MEN AND MACHINES

WEAR OUT

From the earnings of a machine a fund is set aside for replacement so that production may continue even after that machine no longer works.

Men, like machines, wear out. A small portion of a man's earnings invested in a Life Income Policy will replace his lost earning power.

Established 1887
THE MANUFACTURERS LIFE INSURANCE COMPANY
HEAD OFFICE • TORONTO, CANADA

'Peg Insurance Institute Elects New Officers

F. C. D. Oxenham was elected to the presidency of the Insurance Institute of Winnipeg, succeeding R. J. Parker, when that organization held its annual meeting recently.

Announcement of examination results in fire and casualty subjects and presentation of diplomas to graduates was made at the meeting.

The new slate of officers follows: Honorary president, R. J. Parker; president, F. C. D. Oxenham; vice-president, C. McE. Nicholls; secretary, G. E. Budden (re-elected); treasurer, C. R. Francis (re-elected).

Council members—T. D. Harris, R. P. Simpson, J. J. Milne, D. Bruce Murray, F. R. McDowell, G. J. K. Irvine, W. Glazin, Hugh P. Ham.

R. O. McCulloch Sees Demand for Insurance

Belief that a considerable volume of life insurance business is ready to be placed in Canada when confidence is once more established was expressed recently by R. O. McCulloch, of Galt, president of the Mutual Life of Canada, who recently completed a trip through western Canada.

Reiteration of the need in Canada of a balanced budget and a solution to the railway problem were made by Mr. McCulloch who expressed his belief in favor of a substantial reduction in the government of the country which he felt was too costly for the population.

"Canada's Largest Fire Mutual"
The WAWANESA MUTUAL INSURANCE CO.
Ranks 3rd against all companies on total volume of fire business written in Canada

FIRE, LIABILITY, WINDSTORM, SPRINKLER LEAKAGE, DOCTORS' AND DENTISTS' LIABILITY, AUTOMOBILE, PLATE GLASS

Head Office—WAWANESA, Man.
Eastern Office—341 CHURCH ST., TORONTO, Ont.
Branches also at Vancouver, B.C.; Edmonton, Alta.; Regina, Sask.; Winnipeg, Man.; Montreal, P.Q., and Saint John, N.B.

Fire and Casualty News

No Selection of Insured Claimed on Auto Finance

No selection of risk is the reason given by the insurance companies who have dropped automobile finance business. Practically all finance companies place all insurance on cars financed by them through one agent, it is understood. This agent in turn places it with one insurance company. In the majority of cases where a car is being financed, the financing corporation controls the insurance. That is, it has the power to say who shall write the insurance. It is claimed that rates to finance companies are usually considerably below those offered to the public on similar cars.

Security Necessary

Unfortunately, lots of good financial risks are not good insurance risks. For instance, those engaged in some illegal enterprise may offer the very best security to a finance company; but they would probably be very careless with automobiles. An agent insuring an unfinanced car is usually careful in the risks he writes for the company. He will use discretion in order to avail himself of future business. But there is no such incentive on the part of finance companies, it is stated. Consequently the business is regarded as unprofitable by certain firms.

If this is so, why can some companies continue to write this type of insurance? Explanations vary. Some of those who have dropped it claim that split commissions are the answer. Others state that because there are so many companies in the country competition is so keen that some are willing to take on almost any proposition in the hope of finding a profit.

Claim "Sour Grapes"

On the other hand, some of those who do write financed business regard such protests as "sour grapes." The term unprofitable is sometimes applied, they say merely to "save their faces." The companies have lost the business and some excuse is necessary.

Most of the companies resent the tie-up between General Exchange Insurance Co., General Motors Acceptance Corporation and General Motors. The General Exchange, they claim, in insuring the cars financed by the Acceptance Corporation, is invading their territory.

It is understood that the General Exchange is operated at a profit. This is explained by those who state that there is no money in the business, on the ground that the Acceptance Corporation is limited in its operations to the risks acceptable to the insurance company. Furthermore there are no agents' commissions.

On the belief that risks refused by the General Exchange and farmed out by the Acceptance Corporation, some companies definitely refuse business on which losses, if any, are payable to General Motors.

L. S. Morrison President New Brunswick Fire Agents

At the annual meeting of the New Brunswick Fire and Casualty Agents' Association, Luke S. Morrison, of Fredericton, was elected president. Other officers for the coming year are: B. R. Armstrong, Saint John, vice-president; W. F. Wheeler, Moncton, secretary-treasurer; G. N. King, Perth, G. K. Daye, St. Stephen, B. M. McAlary, Sussex, M. E. Amos, Edmundston and J. C. Mitchell, St. John, directors.

FIDELITY Insurance Company of Canada
TORONTO

Ontario Losses Down $340,000 Three Months

The first of the quarterly reports issued by the Ontario Fire Marshal shows a decrease of $340,000 in fire loss for July, August and September, as compared with the same period a year ago, when the total was $2.4 millions. The reports will henceforth be made quarterly instead of monthly following returns from a questionnaire sent out this summer.

For the first nine months of 1935 there was a drop of over $2.25 millions in total fire losses, and a drop of almost $2 millions in insurance loss; similarly the number of fires to the end of September this year is almost 1,000 less than in 1934.

Dwelling, barn, store and factory fires are all down from last year.

Charter Oak Fire May Enter Canada

The Charter Oak Fire Insurance Co. of Hartford will not immediately apply for a Canadian license, The Financial Post is advised. It is stated, however, that the matter will be considered in the near future.

The Charter Oak, granted a charter by the Connecticut legislature four years ago, is now being organized in the United States as a unit in the group of Travelers companies. All the capital stock of $500,000 except the directors' qualifying shares will be held by the Travelers Fire. Directors and officials also will probably be those of the Travelers. The company will start business with paid-in surplus of $700,000.

Report St. Jerome Seeks Reduction in Fire Rates

It is reported that the city of St. Jerome, Que., will ask for a general reduction in all fire insurance rates on local property. The city has erected an up-to-date fire station, has installed a new fire alarm system and recently purchased a new fire pump, it is stated. In view of these improved facilities, the Canadian Fire Underwriters' Association will be asked to permit the companies under its jurisdiction to cut their rates.

Ontario Fire Marshal To Improve Statistics

The Ontario Fire Marshal has announced that replies to a questionnaire sent out in July made many valuable suggestions for the improvement of the statistical branch of his department.

Of Interest to Every Employer . . . . GROUP INSURANCE

Co-operative Group Insurance brings to Employers and their Employees a sound and economical means of purchasing on a Group basis, protection against the hazards of Death, Sickness, or Old Age.

Group Insurance programmes, as set up by the Confederation Life Association, cover any or all of the following insurance requirements—

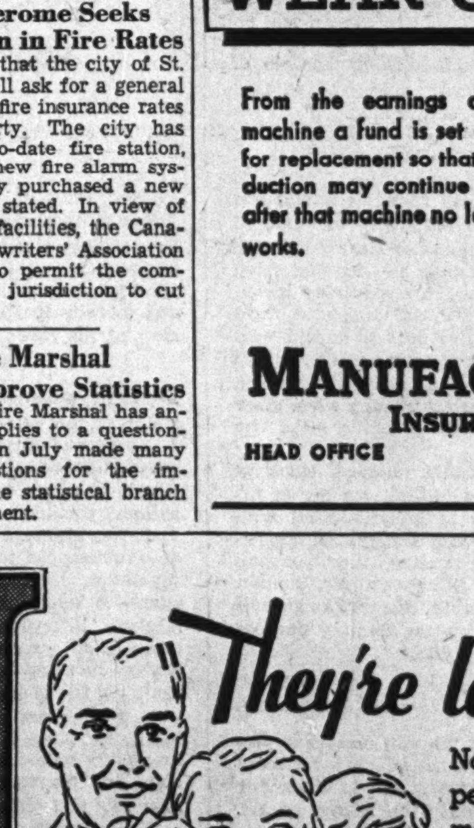
1. A Life Insurance Benefit— Protecting the Employee's family.
2. A Sickness and Accident Insurance Benefit— An income to the Employee disabled on account of sickness or accident.
3. A Retirement Annuity Benefit— An income to the Employee on retirement.
4. Supplementary Benefits— Accidental Death and Dismemberment Insurance, Hospitalization Benefits.

We offer low-cost co-operative plans of Group Protection to cover any or all of the above hazards

Consultation Invited

Confederation Life Association

Head Office Group Division Toronto



"They're looked after"

Nothing can bring greater personal satisfaction to any married man than the knowledge that his wife will be provided for *as long as she lives*, and the children until they are educated.

This is the essence of Life Insurance service.

London Life Insurance Company
HEAD OFFICE LONDON, CANADA

Your Investments

What We Do:

1. Give information on Canadian securities to enquiring subscribers by early mail.
2. Publish anonymously on this page letters of general interest.
3. Supply an enquiry service of fact rather than of opinion.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on United States or foreign securities.
3. Reply by telephone or telegraph to enquiries.
4. Select lists of securities; express opinions; forecast the future.

Three-cent stamp must be enclosed. Write mining and insurance enquiries on separate sheets. Address the editor, The Financial Post, 481 University Ave., Toronto.

Honeymoon Bonds

I have two issues of Niagara Falls bonds, 4½'s and 5½'s. What is their price? What is the city's financial position?

Niagara Falls bonds are approximately 62 bid, 64 asked. The coupon rates, make no difference in the quotations. The reason for this is that although Niagara Falls is paying interest in full, it is anticipated that its debt will eventually be refinanced at a single interest rate, and over a longer term. The city is in default of principal payments, and is under the supervision of the Ontario Department of Municipal Affairs. The financial position is not good but is better than for many other defaulting municipalities.

United Corporations

My investment in Consolidated Investment Corp. was turned into A and B shares of United Corporations. Is there a prospect of dividends or any other hope for these shares?

Last year, United Corporations showed virtually no earnings at all on its A and B shares. This year earnings and portfolio values are somewhat higher but prospects of dividends are remote. Value of securities held behind A shares was over $53 a share in 1934, compared with $25 in 1933. In 1933, there was no equity at all for B shares and in 1934 there was an equity of $5.55. Future improvement of your investment depends on continued gains in Canadian business, which would raise the value and income of securities held by the company. Market value of your shares has increased and dividends are an eventual possibility.

This investing firm was originally financed through Wood, Gundy & Co., large security dealers. This relationship of an investing firm with a security-marketing organization cannot be considered completely satisfactory. Under the presidency of A. D. Emory, United Corporations has made progress.

Canada & Dominion Sugar

I am thinking of buying Canada and Dominion Sugar Common at $55. Is there any preferred stock, and do comparative statements show the company to be a sound one?

Canada and Dominion Sugar Co. is the largest sugar firm in Canada, handling about 40 to 45 per cent of the domestic trade. There are no preferred shares. Total assets were $20.2 millions including nearly $10 millions of government bonds at Jan. 31, 1935, the end of the last fiscal year. Earnings in the last year amounted to $4.36 a share on the 500,000 common shares. We cannot furnish comparative statements, because so far as we know, the company did not issue its balance sheet and income account for general circulation prior to this year. The company and predecessors have had a long and successful history under good management. The outlook is promising of stability, but is not spectacular.

C. P. R.

It would be appreciated if you would let me have your opinion on the ordinary shares of the Canadian Pacific Railway Co. I note that the company did somewhat better last year and am wondering if this presages a return to dividends.

Canadian Pacific Railway reports large decreases to date in its operating revenue this year. The report for 1935 will likely show a drop in income from 1934 unless the crop movement and special income is larger than anticipated. Last year the company earned sufficient to pay the dividend on the preferred stock, but distribution was deferred until conditions became more stabilized. It is not anticipated that the directors will change their attitude in respect to the preferred dividend, so that resumption of payments on the common stock is still distant. The future for C. P. R. common is a question mark.

Penmans

Since I purchased stock in Penmans Ltd. the price has gone down. Is there any particular significance to this? Also can you tell me something about the company's finances?

Stock of Penmans Ltd. has been depressed in recent weeks, due to pre-election talk of changes in tariff with a turnover in the Government. This is common to all the textile companies, which have had tariff protection for many years.

Current operations are believed to be less satisfactory than last year. In 1934 the company showed net profits of $274,592, sufficient for regular dividends on the common and preferred stocks, with a surplus of $16,538. Financially the company occupies a strong position.

Asbestos Corp.

Have you any information on current operations of Asbestos Corp.? Do you think they will pay a dividend on the stock this year?

Asbestos Corp. has reported considerable improvement both in operations and earnings. It is expected that interest on the general mortgage bonds will be earned this year, but there is no prospect of a dividend on the stock for a few years.

General Brock

What is the market value of General Brock Hotel Co. common stock? Is the hotel profitable? Will interest on the three per cent bonds be paid soon?

There is no market value for common stock of General Brock Hotel Co. Dividends are extremely remote. There is a first mortgage of $250,000 as well as a second mortgage of $691,500 in the form of a three per cent bond issue. The issue of preference shares amounts only to $50,000. There are 78,000 common shares. In the 18 months ended April 30, 1934, operating profit was only $5,319 after paying operating expenses, taxes and insurance. This made no allowance for bond interest, depreciation, and other expenses. The property has been acquired by new interests and is now doing better. It is likely to be at least another year before there is even a prospect of any payment on the three per cent bonds.

Montreal Power

I own a few shares of Montreal Power common stock. Is the dividend secure?

Montreal Power continues to make satisfactory progress. The company is paying a dividend of $1.50 regularly and earnings are more than sufficient to cover this.

Canadian Power & Paper

Please let me have a report on earnings of Canadian Power and Paper Investments during the past year. Also, can you tell me what kind of a market there is for the stock of this company?

Canadian Power and Paper Investments has not issued a financial statement for the past year, and there is no way of telling whether or not progress has been made. There is a very small market for the stock of this company.

Montreal Cottons

I am considering purchasing a few shares of the preferred stock of Montreal Cottons and would like a brief opinion on the position of the company.

Earning power of Montreal Cottons, affiliated with Dominion Textile Co., has not been very satisfactory, though tending to improve. In none of the last seven years has the company earned sufficient to pay the preferred dividend, despite the fact that no provision was made for depreciation between 1928 and 1932. Bank loans figure rather prominently in the company's balance sheet, and the existence of a favorable working capital has been largely due to the sale of certain assets to Beauharnois Light, Heat and Power Co.

McColl-Frontenac

Would you be good enough to let me have a report on McColl-Frontenac Oil Co.? I would like to know if earnings have been sufficient to cover the dividend payment.

McColl-Frontenac Oil Co. has expanded in recent years and now ranks as one of the three principal oil refining and distributing companies in the Dominion. Its record of earnings has been satisfactory, though in the last four years there has been a steady decline in the amount available for the common stock. Income has been sufficient, however, to cover disbursements on the common in each year since 1929.

Robert McNish

Among my investments are some of the debentures of Robert McNish Co., bought at $4.65. I have heard very little about this company and its operations, and would like an opinion from you.

Robert McNish Co. continues to pay interest on its debentures. Much of the investment merit of this security lies in the guarantee of Canadian Industrial Alcohol Co. The latter is making progress in disposing of its alcohol stocks, while bank loans have been cleaned up. This makes the McNish debentures appear strengthened.

Acme Glove

Will you please let me have the record of earnings and dividends paid on the first preferred stock of Acme Glove Works since 1929?

Acme Glove Works has recorded a betterment in earnings, those reported for 1934 being the largest since 1929. Earnings available on the first preferred have been: $6.83 a share in 1929; nothing in the next three years; $5.24 in 1933 and $10.68 in 1934.

The dividend record follows: $2.43¾ in 1929; $3.25 (the full rate) in 1930; nothing in the next three years; $2.43¾ in 1934.

General Steel Wares

Is General Steel Wares covering interest charges? Is the six per cent bond issue a satisfactory investment?

General Steel Wares earned interest on its 6's 1.78 times before depreciation, 1.23 times after depreciation, in 1934. The first mortgage issue amounts to about $7.1 millions, a reduction of about 21 per cent from the original $9 millions. Earnings have been improving and so has the investment.

National Realty

I have had no recent information on the status of my National Realty bonds. Is there any prospect of an interest payment?

National Realty Co. owns the St. James Parking Garage, Toronto. Montreal Trust Co., trustee for the bondholders, is operating the property. It has been earning more than operating expenses. Some progress is being made in paying tax arrears. No allowance has been made as yet for legal expenses and receiver's fees. Thus, there is no prospect of any interest payment on the bonds.

Parking garages of this character have been hard hit by competition from outdoor parking stations. There is no early prospect of much improvement in this situation.

Essex Border Bonds

Do you think bondholders of Essex Border Utilities Commission would be wise to deposit their holdings with the protective committee? If so, why?

Large holders of debentures of Essex Border Utilities Commission have organized the protective committee which is requesting deposits of debentures from smaller holders. Larger holders think it imperative for smaller holders as well as themselves to be organized to defend their interests in any financial reorganization of the city of Windsor and of the commission.

The large holders will certainly put up a strong case in defending the rights of debenture holders. Their hand, however, would be strengthened by deposit of debentures by as many holders as possible. We believe it would be in the interest of all debenture holders for them to deposit their securities with the committee.

Bathurst

As a subscriber to The Financial Post I would like a report on Bathurst Power and Paper Co., which has been strongly recommended to me of late.

Bathurst Power and Paper Co. issued an interim report covering income for the first six months of 1935. This statement showed a substantial increase in revenue due to the operation of the kraft liner board division.

There has been a growing market interest in the stock of this company, stimulated by the favorable results from the kraft liner board sales and the better prospects for the newsprint industry. The latter is a negligible factor in so far as Bathurst is concerned, because the company is practically a non-producer of newsprint. If conditions in the newsprint industry were to experience a marked recovery, Bathurst of course could re-enter the newsprint field but there does not seem to be any likelihood of this development in the next year.

Industrial Alcohol

Some time ago I bought stock in Canadian Industrial Alcohol at a price substantially above that prevailing today. Do you think it is worth holding? Is the company in a strong financial position?

Canadian Industrial Alcohol Co. has made arrangements for the sale of over half of its American type whiskies, while bank loans have been or are just about liquidated. The company has a long way to go before it is in a sound position, for while it has sold a substantial volume of its alcohol, deliveries and payments are spread over a long period. Consequently some time will elapse before the company secures the revenue from the sales. Another drawback is the liability assumed by the company in connection with its guarantee of the Robert McNish debentures. There are some $4 millions of these debentures outstanding. It is more than likely that the company will have to make good this guarantee. The liquidating value of the company's inventory is estimated to be in excess of present market values of the company's stock. But it may be some time before the management is in a position to make a return to shareholders.

C.I.P. Bonds

I hold a $1,000 6 per cent bond of Canadian International Paper Co., and am rather disturbed about the outlook for this investment as the company's income for 1934 did not entirely cover expenditures. I would be glad to have your opinion on this security and also would like to know the current market value of the bonds.

Canadian International Paper, as well as the other newsprint companies have been experiencing difficulties in meeting their debt charges due to the low selling price of newsprint. Last year this company's cash income did not meet its cash outgo, so that it was necessary to dip into reserves.

Interim reports would indicate that revenues for 1935 may be somewhat better than last year, though at the moment it is difficult to say whether or not net income will be sufficient to cover all charges.

Outlook for Canadian International Paper is better now than it has been for some time, due to prospects for an advance in newsprint prices in 1936. If the company is able to secure a better price, based upon its present volume of business, net income should be more than sufficient to cover interest and other charges.

The present market on Canadian International Paper 6 per cent bonds is 69 bid and offered at 70½. This represents an advance over recent quotations.

International Power

I would appreciate your views of International Power 6's as a business man's investment.

International Power Co. 6 per cent secured debentures are a first floating charge on assets of the company, and, in addition, are secured by a specific pledge of $3 millions of 6 per cent twenty-year debentures of Venezuela Power Co. and $1,485,000 par value common stock of Newfoundland Light and Power Co. The consolidated income statement for 1934 shows $844,503 available for interest on the debenture stock, as against requirements of $318,270.

The principal drawback to investment in International Power in recent years has been the difficulty experienced by the company in securing the transfer of revenues from its foreign subsidiaries into Canadian currency. Exchange difficulties of late appear to have lessened and the position of the company is improving.

Gypsum, Lime

How is Gypsum, Lime and Alabastine doing, particularly regarding interest on its 5½ per cent bonds?

Gypsum, Lime and Alabastine earned interest 1.53 times on its 5½'s before depreciation, last year. After depreciation, interest was not covered in full. The issue amounts to about $3.6 millions, a reduction of about 10 per cent from the original amount of $4 millions. The company's sales have shown no major advance this year, and results are expected to be about the same as in 1934.

Mining Enquiries

Omega Gold Mines

I would like to get some information about Omega Gold Mines. Who controls the company? Has it any plans for production?

Omega Gold Mines, formed early in 1935, is bringing some much needed experience to bear on several old properties in the Larder Lake district of Ontario. These properties, owned by Crown Reserves and associated gold fields, for a number of years were used largely as the basis for stock selling schemes. With the entrance of Omega Gold Mines into the picture, the outlook is materially improved. Omega is a subsidiary of the Castle-Trethewey Mines, and is under the control and technical supervision of that veteran company. Recently Omega signed a contract with the Ontario Hydro-Electric Power Commission. Preparations are being made for installation of the mill, having a 300-ton daily capacity.

Sakoose Gold Mines

Have you any recent information on Sakoose Gold Mines? I have had no report on this company for some time. Has the company any possibilities?

After some high pressure promotional work, involving long distance calls across Canada, the stock of Sakoose Gold Mines, as you are probably aware dropped suddenly last summer. For nearly a year the property was idle, but in June of this year Nordic Sturgeon Mine was formed to acquire the Ontario properties of Sakoose. The stock which Sakoose will receive for its properties, amounts to 759,603 shares of Nordic Sturgeon. This stock is to be pooled for two years, Sakoose shareholders to receive deposit certificates. When ready for distribution, Sakoose shareholders will receive one share of Nordic Sturgeon for each two and a half shares of Sakoose held.

In addition to its Ontario properties, Sakoose Gold Mines also sold some properties in Quebec to Harris-Bousquet Gold Mines for consideration of 400,000 shares, representing the 40 per cent interest in Harris-Bousquet.

While the property itself has not shown as yet that it possesses any particular merit as a potential gold mine, the personnel of Nordic-Sturgeon gives some basis for the belief that the new arrangement gives Sakoose shareholders as good an opportunity to recoup their losses as is possible, under the circumstances.

Canada Radium Mines

Can you give me any information on a mine called "Radium Mines?" I believe that it is located north of Peterborough.

The mine to which you refer as "Radium Mines" is probably Canada Radium Mines which is interested in radium prospect in Haliburton County, Ontario. The company was formed to produce concentrates containing radium; to sell radio-active minerals waters and to operate an all-year health and vacation resort.

While only time will tell the measure of success the undertaking will enjoy, since it is primarily a new field of effort, the group behind the company is composed of well-known business men. M. B. R. Gordon, mining engineer, on recently examining the property, recommended that the company install a pilot concentrating plant of 20 to 25 tons daily capacity.

The company publishes no financial statement. Of an authorized capitalization of 2,500,000 shares, no par value, 1,450,000 are outstanding.

Development work during 1935 is reported to have been fairly encouraging.

Harkness-Hayes

Will you kindly tell me something about Harkness-Hayes Gold Mines? Do you think that the property has any promise?

After a limited amount of development work, Harkness Hayes Gold Mines recently started milling in a small way on its property on the north shore of Lake Superior. We have seen no business-like estimate or ore reserves and found little information available about the property. Milling, except as a test operation, would hardly seem to be justified. The men behind this proposition, from the mine making and promotional end, have not had any particular success in the mining business prior to getting control of this fairly old property.

It is considered rather significant that despite the fact that this company classes itself as a producer, there is at the time of writing no market for its stock on the over-counter market in Toronto.

St. Paul Silveradium

I would appreciate your views as to the position and future possibilities of St. Paul Silveradium.

St. Paul Silveradium is closely associated with B.E.A.R, the latter company holding over 600,000 shares of St. Paul Silveradium. This company owns two groups of claims in Echo Bay and Conjuror Bay areas, Great Bear Lake district, North West Territories. Assessment and development work has been carried on under the direction of B.E.A.R. Only preliminary development has been done and it is impossible to appraise the merits of the property at this time as it can only be considered as an undeveloped prospect. Results to date have been favorable, but only a well-financed and well-directed programme will determine whether or not it has real importance.

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35-28

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Municipal Bonds
Public Utility and Industrial Financing
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C-I-L CANADIAN INDUSTRIES LIMITED

Cellophane TRADE MARK

"Cellophane" is the registered trade mark of the Du Pont Cellophane Co., Inc., for cellulose film, manufactured in Canada, under contract, by Canadian Industries Limited.

SANI-FLUSH

Sani-Flush was first marketed by the Hygienic Products Company in 1911 as the perfect agent for cleaning toilet bowls. In 1914 a modest magazine advertising campaign was started, together with a firm policy of no deals, trial shipments, free goods, consignments or dating. By consistently following a sound sales and advertising policy the business has steadily advanced in years when general business went backward.

Since 1914, most of the consumer space expenditure has been in magazines.

Advertising of Sani-Flush appears in—

Maclean's

Canada's National Magazine

MONTREAL POWER ELECTRIC OUTPUT UP IN SEPTEMBER

From Our Own Correspondent

MONTREAL. — Montreal Light, Heat and Power Consolidated reports an output of electricity for local consumption during September of 9.90 per cent higher than for the same period last year.

This is the third consecutive month for which increased output is reported, and, in spite of minor decreases reported earlier in the year, cumulative output for the nine months of 1935 is 1.55 per cent higher than for the corresponding period of 1934.

Actual output in September last was 82.4 million kw.h., compared with 74.9 million kw.h. in September last year. Total output for the year to date is 735.3 million kw.h., as against 724 million kw.h. last year.

These figures are for electricity produced for local consumption only and do not include off-peak or export power.

Gas production, as reported by the company, again shows a slight decrease over that of 1934, figures for September being 456.4 million cubic feet, as compared with 462.8 million cubic feet for the same month last year, a decrease of 6.4 million cubic feet to 1.38 per cent.

Total gas output for the nine months to date is 3,877 million cubic feet. This is in contrast to 4,070 million cubic feet for the same period in 1934, a decrease of 4.75 per cent.

Montreal Stock Values Lower For September

From Our Own Correspondent

MONTREAL. — Total value of stocks and bonds traded on the Montreal Stock Exchange and the Montreal Curb Market amounted to $16,566 million as at September 30, a decrease of $104 million from last month, and a decline of $130 million when compared with a year ago.

Industrial stocks on the Montreal Stock Exchange showed a slight increase and the value of the mining group on the Montreal Curb Market were also higher, while all other groups registered declines.

Dividends Declared

	This payment	Date payable	Date of record
Bell Tele. c.	$1.50	Oct. 15	Sept. 23
B.C. Power c.	38c	Oct. 15	Sept. 30
B.C. Telephone, pf.	$1.50	Nov. 1	Oct. 17
Brantford Cord. pf.	50c	Oct. 15	Sept. 20
Bruck Silk	30c	Oct. 15	Sept. 14
Brew. Corp. pf.	37½c	Oct. 15	Sept. 30
Beatty Bros. pf.	$1.50	Nov. 1	Oct. 15
Candn. Bronze c.	15c	Nov. 1	Oct. 21
Do., pfd.	$1.75	Nov. 1	Oct. 21
Can. Fairb'ks-M. p.	$1.50	Oct. 15	Sept. 30
Can. Indust. A & B	$1	Oct. 31	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Can. Iron Found. pf.	$1.50	Nov. 15	Oct. 31
Candn. Oil Cos. c.	12½c	Nov. 15	Nov. 1
Can. N. Pwr. c.	30c	Oct. 25	Oct. 15
Do., pf.	$1.75	Oct. 15	Sept. 30
Dom. Textile pfd.	$1.75	Oct. 15	Sept. 30
Frost Steel & W. pf.	$1.75	Nov. 1	Oct. 19
Great Lakes Pr. pf.	$1.75	Oct. 15	....
Guar. Co. of N. A. c.	$1.50	Oct. 15	Sept. 30
Do., extra	$2.50	Oct. 15	Sept. 30
Imperial Bank c.	$2.50	Nov. 1	Sept. 30
Int. Nickel, pf. U.S.	$1.75	Nov. 1	Oct. 2
Do., U.S.	8¾c	Nov. 1	Oct. 2
Invest. Found'n. p.	37c	Oct. 15	Sept. 30
Do., on arrears	13c	Oct. 15	Sept. 30
Kirkland L. G. M. c.	‡3c	Nov. 1	Oct. 15
Macassa Mines c.	5c	Nov. 1	Oct. 15
Maple L. Gardens	†35c	Oct. 15	Oct. 1
McColl Front. pf.	$1.50	Oct. 15	Sept. 30
Mtl. L., H. & P. c.	37c	Oct. 31	Sept. 30
Mtl. Telegraph c.	80c	Oct. 15	Sept. 30
McLennan, McFeeley c. A	10c	Dec. 30	Dec. 23
Do., c. B	10c	Dec. 30	Dec. 23
Nat. Biscuit, c.	40c	Oct. 15	Sept. 13
Penmans Ltd. c.	75c	Nov. 15	Nov. 5
Do., pfd.	$1.50	Nov. 1	Oct. 21
Pwr. Corp. of C. pf.	$1.50	Oct. 15	Sept. 30
Do., 2nd pfd.	75c	Oct. 15	Sept. 30
Premier Gold	3c	Oct. 15	Sept. 13
Do., extra	1c	Oct. 15	Sept. 13
Rolland Paper pf.	$1.50	Dec. 2	Nov. 15
Russell Motor pfd.	$1.75	Nov. 1	Oct. 16
Do., on arrears	$1	Nov. 1	Oct. 16
Southern C. Pwr. c.	20c	Nov. 15	Oct. 31
Do., pfd.	$1.50	Oct. 15	Sept. 20
Steel Co. of Can. c.	43¾c	Nov. 1	Oct. 7
Do., pfd.	43¾c	Nov. 1	Oct. 15
Toburn Gold c.	.02c	Nov. 21	Oct. 21
Tor. Elevators pf.	$1.75	Oct. 15	Oct. 1
Tuckett Tob. pf.	$1.75	Oct. 15	Sept. 30
United Bond & Sh. c.	20c	Oct. 15	Sept. 28
Un. Gold Equities	2½c	Oct. 15	Oct. 5
United Secur. c.	50c	Oct. 15	Sept. 26
Western Groc., c.	50c	Oct. 15	Sept. 20
Do., pfd.	$1.75	Oct. 15	Sept. 20

†Initial.
‡Interim.

Public Utility Earnings

Barcelona Traction, Light & Power

August:	1935 Pesetas	1934 Pesetas	Increase Pesetas
Gross earn.	9,199,427	8,871,200	328,227
Oper. exps.	3,458,366	3,373,243	85,123
Net earn.	5,741,061	5,497,957	243,104
8 Mos. end. Aug. 31:			
Gross earn.	79,841,106	76,643,753	3,197,353
Oper. exps.	29,482,943	27,639,825	1,843,118
	50,358,163	49,003,928	1,354,235

Jamaica Public Service

August:	1935 $	1934 $
Gross earn.	69,626	65,519
Net earn.	28,430	25,011
Surplus after chgs.	19,843	16,060
12 Mos. end. Aug. 31:		
Gross earn.	846,683	821,875
Net earn.	345,931	333,774
Surplus after chgs.	241,787	222,624

The above figures converted from £ sterling at the rate of $4.86⅔ to the £1.

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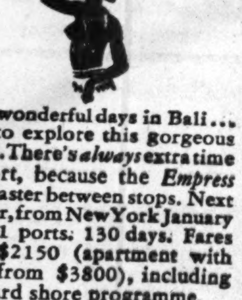

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING OCTOBER 7

Active Corporation Bonds

(Furnished by Toronto Bond Traders' Ass'n.)

October 8, 1935

	Int. Rate	Due	Bid Oct. 8	Asked	Bid Oct. 1
Hamilton Cottons	5½%	1948	100½	103	100½
*Hamilton By-Prod. Coke	7%	1943	103	...	103
*Hinde & Dauch	5½%	*1948	102	104½	102
†Internat'l. P. & P., Nfld.	5%	1968	100	102	98½
Inter City Baking	5½%	1948	99½	102	99½
Inter-City West Bakeries	6½%	1950	25	...	25
Lake St. John Pwr. & Pap.	6½%	1947	70½	73	69½
†London Can. Invest.	4½%	1948	80	83	80½
London Realty	6%	1950	88	92	89
†Massey-Harris	5%	1947	82½	85½	85
McColl-Frontenac	6%	1949	103½	105½	103½
†Mercury Mills	5½%	1953	...	35½	33
Metropolitan Bldg.	7%	1944	100	...	100
Minn. & Ont. Paper	6%	1945	16	18	16
*Montreal Coke	5½%	1947	102½	...	102½
‡Montreal Cottons	5%	1947	100	...	99
Montreal Dry Docks	6%	1948	66½	69½	66
National Grocers	6%	1948	105	...	104½
Northern Ont. Bldg.	6½%	1939	93½	96½	93½
†Penmans	5½%	1951	105	107	...
*Provincial Paper	5½%	1947	102	104½	102
Queen's Hotel	6%	1947	83	86	83
*Reliance Grain	6%	1948	98½	100½	97½
Richmond Bay Bldg.	6½%	1947	94	97	95
‡Riordon Pulp & Paper	6%	1942	104	...	104
†Rolland Paper	5½%	1948	103	...	103
Ruddy & Co., E. L.	6½%	1948	92½	95½	92
St. Lawrence Flour	6%	1941	103	...	103
†Simpsons Ltd.	6%	1949	103	105	103
Simpsons Ltd.	5½%	1949	99½	...	99
†Smith, Howard	5½%	1953	103	105	103
‡Steel Co. of Canada	6%	1940	111½	...	111
Stop & Shop	6%	1947	53½	56½	54
Toronto Carpet	6%	1944	102	...	102
United Amusement	6%	1942	98	...	98
United Corpns.	5%	1953	87	90	87
United Grain Growers	5%	1948	93	96	92½
United Grain Growers	5½%	1949	[illegible]	99½	96½
‡Wabasso Cotton	6%	1947	102½	...	102
Wabasso Cotton	7%	1942	104½	...	104½
Western Grain	6%	1949	66	69	64
Woods Mfg.	6%	1943	101	...	101
Zimmerknit Mfg. Co.	6%	1951	99½	102½	99½

▪Payable in U. S. only. Payable in Canada or U. S.
‡Payable in Can. or U. K.
†Payable in Canada, U. S., or U. K.

Unlisted Mining Stocks

October 8, 1935

	Bid	Asked
Ascot	.26	.28
Arntfield Synd.	1.15	1.25
Adanac	.07	.09
Ardeen	.08	.09
Athona (Gt. B. L.)	.40	.42
Athabaska Portals	.36	.40
Bailor	.00½	.01½
Bidgood Kirk.	.05½	.06½
Bankfield Gold	.31	.33
Bathurst	.00¾	.01½
Bosquet Gold	.04½	.05½
Can. Pandora	.03	.04
Can. Radium	..	.36
Casey Summit	.06	.08
Canusa Mining	.04	.05
Casey Contact	.02½	.03
Central Porc.	.15	.17
Cons. Chib. Free	.50	.52
Cons. Chib. Pool	.50	.51
Columario Cons.	.01	.02
Dorval Siscoe	..	4.00
Dunlop Cons.	.00½	.01
El Bonanza	.11	..
Forty-four Gold	4.25	5.00
Glenora Gold	.05	.07
Galatea	.05	.06
Goldside	.04	.05
Gold Eagle	.15	.20
Greenlaw	.04	.05
Hardrock	.43	.46
Hislop Gold	..	.06
Horseshoe	.01	.02
Hudson Patricia	.08½	.09½
Jellicoe	.06	.07
Johnson Nip.	.02	.03
Kirk. Gold Belt	..	.11
Lafayette L. Lac	.02	.03
La Palme	.24	.25
Long Lac Lagoon	.03½	.04¾
Lamaque Gold	2.10	2.00
MacFarlane	..	.02
MacL. Cockshutt	.04½	.05½
Magnet Lake	.03½	.04½
Matachewan Can.	.09	.11
McCarthy Webb	..	.05½
Morrison Mines	..	.15
Mosher	.02	.03
N.A.M.E. Un.	34.00	..
North Shores	.02	.03
Oklend	.20	.21
O'Leary	.07½	.08½
Opemiska	1.42	1.48
Pamour Porc.	1.98	2.02
Rice Lake	.02½	.03½
Shawkey	.40	.42
Silverado Gow.	..	.30
Smelter Gold	.04	.05
Smith, Cobalt	.11	.12
Straw L. Beach	.09	.10
Sturgeon R. Gold	.60	.65
Sun Bear	..	.15
Thom.-Cadillac	.02½	.03½
Wells L. Las	.08	.10
Wingold	.04	.05
Young David	.12	.14
Wendigo	.10	.12

Listed Bond Quotations

Week Ending Oct. 7, 1935

	Int. rate	Due	Yield	Latest Bid	High	Low	Range 1935 High	Range 1935 Low
Mtl. L. H. & P. Debs.	3	1939	3.00	50½	50½	50½	50¾	46
McNish	6	1948	...	3.40	3.50	3.40	4.00	3.10

Montreal, Toronto and Curb Markets (Cont'd)

High	Low	Divd.			Sales	Close			
11½	9	.	...	Un. Amuse. A.	....	11½	..	..	..
17½	7½		...	Do. (B)	....	..	..	..	..
30	24	2	8	United Secs.	....	27	..	..	..
5	2	.	...	United Steel	645	2¾	2¾	2¾	2¾
2.00	1.00	.	...	Viau Biscuit	....	1.30	..	..	..
20½	12	.	...	Do. pref.	1	15	15	15	15

Unlisted Canadian Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

October 8, 1935

	Bid	Asked
Insurance Stocks:		
Acadia Sugar, c.	3.00	...
Do., pfd.	4.75	5.00
Acme F. Dairy, p.	41.00	...
Allens Beach, pfd.	52.00	...
Allens King. pfd.	50.00	...
Allens Tor. p. b. c.	24.00	...
Andian National	45.50	47.50
Atlantic Sugar, p.	105.00	106.00
B. C. P. & P. p.	8.00	12.50
Burns & Co., A	4.75	6.00
Do., B	2.90	3.50
Can. & Dom. Sug.	53.50	54.50
Can. Mach. c.	.20	.40
Canada Paper, p.	65.50	75.00
Canada Starch, c.	11.50	...
Do., pfd.	82.00	...
Can. Wire & C., p.	68.00	69.00
Can. Indust. A, c.	196.50	...
Do., B, com.	196.00	198.00
Do., pfd.	157.50	160.00
Can. P'board, p. b.	4.25	6.00
Can. Tube 1st p.	29.00	...
C. Westinghouse	48.50	49.00
Chase, A. W., p. b.	23.50	....
Cl. Neon Ad. U.	4.50	...
Copeland Fl. M. U.	4.50	6.00
Corr. P. Box p.	84.00	86.00
Dom. F. & St. c. (New)	21.50	...
Do., pfd. (New)	80.00	85.00
Dom. Manuf. c.	3.00	...
Donna. Paper A	2.60	3.50
Dunlop Tire, p.	...	67.50
East. Dairies, p.	11.50	12.50
Edm. C. Dairy, p.	49.50	...
Fed. Grain, c.	.50	.90
Do., pfd.	24.50	26.00
Gen. St. Wares, p.	39.00	40.00
God. Elevator	5.25	6.00
Greening Wire, p.	100.00	103.00
Guelph Carpet, p.	97.75	99.00
Do., com.	14.00	15.50
Hayes Wheels, p.	...	9.50
Highland Dairy, c.	2.75	3.50
Do., pfd.	71.00	80.00
Hueth. Brew, p. b.	2.50	3.00
Inter City Bak., c.	19.00	21.00
Inter. Met. Indust. A, pfd.	28.00	33.00
Loew's Lond. p.	1.70	2.00
Loew's Tor. pfd.	112.00	115.00
Mans. Theat. p.	25.00	26.00
Maple Leaf Gdns. p.	3.50	4.15
Massey-Harris, p.	22.00	24.00
Mercury Mills, p.	5.50	8.50
Morrow Screw p.	95.00	...
New M. Laund. pfd. bonus	63.00	69.00
Niag. W. Weav. p.	50.25	52.00
Para. Oshawa, p.	58.00	...
Prov. Paper. pfd.	97.00	99.00
Rel. Grain, pfd.	68.00	...
Rob. Cons. Cone	8.00	8.65
Rolland Paper, p.	84.00	87.50
Ruddy, E. L., pfd.	26.00	30.00
Silverwood's D., p.	40.00	42.00
Stand. Fuel. p. b.	102.00	103.50
Super. Pet., B, p.	26.50	28.00
Toronto Carpet, p.	26.50	...
United Amuse. A	11.00	13.00
Do., B	9.75	11.50
United Steel A, p.	3.25	4.00
West. Grain, p. b.	9.00	10.00
Insurance Stocks:		
Brit. America	35.50	37.50
Canada Life	470.00	...
Canadian Fire	74.00	77.00
Can. Ins. Sh., c.	10.00	11.25
Conf. L. 20% pd.	120.00	125.00
Cont. L. 20% pd.	36.00	39.00
Crown Life	105.00%	...
Dom. Fire	114.00	...
Dom. L. 50% pd.	280.00	300.00
Dom. of Can. Gen.	...	84.00
Empire L. 25% pd.	5.00	...
Excels. L. 30% pd.	70.00	74.00
Fed. Fire 25% pd.	32.50	38.00
Fidelity of Can.	47.50	56.00
Gt. West Life	390.00	398.00
Guar. of N. A. fully pd.	241.00	...
Imperial Life	320.00	...
Mfg. Life	254.00	280.00
Mon. Life 10% pd.	17.00	19.00
Nat. Life 25% pd.	53.50	57.00
Sov. Life 25% pd.	14.00	18.00
Sun Life	385.00	390.00
Tor. General Ins.	4.60	5.25
West. Assur. c.	35.50	37.50
Do., 12% pfd.	39.50	46.50
W. Em. L. 25% pd.	...	9.75
Trust & Loan Stocks:		
Chartered Trust	76.00	80.00
London & W. Tr.	34.00	36.00
Premier Trust	86.00	90.00
Sterling Trust	30.00	35.00
Traders Fin. "B" pfd.	63.50	...
Do., com.	.70	...
Trusts & Guar.	...	29.00
Victoria Trust	115.00	122.00
Waterloo Trust	95.00	...
Investment Trust Shares:		
Can. Gen. Invest.	6.25	6.50
Can. Investors	6.15	...
Can. Int. Inv. Tr. Units	27.00	29.00
Cons. Div. St. Sec. Units	10.75	12.00
Deb. & Sec. pfd.	30.00	...
Dom. & Anglo Inv. Units	199.00	...
Dom. Scott. Inv. U.	23.00	25.00
For. P. Sec. p.	4.50	...
Invest. Found. U.	40.50	42.00
Sec. Holding U.	11.25	13.00
United Corpns. A	18.25	18.75
Do., B	5.65	6.15
Power Issues:		
Calgary Power, p.	79.00	81.00
Can. L. & P. com.	23.00	27.00
Can. W. N. Gas, p.	89.00	91.00
Do., com.	20.00	23.00
Gt. Lakes Pwr., p.	66.00	70.00
N. B. Tele., com.	10.00	11.50
Nor. Ont. Pwr., p.	95.50	...
N. S. L&P com.	45.00	50.00
N. S. L&P, p.	97.00	99.50

Recent London Quotations:

Brit. Col. Tele., pfd.	$103
Brew. & Distillers	3s. 10½d.
Canada Company	7s. 6d.
Can. & For. Secs.	4s.
Can. Collier, $1 com.	1½d.
Do., pref. $10	4½d.
Can. N. W. Land	10s.
Can. West. Lumber	10½d.
Hudson's Bay	16s. 3d.
Do., pref.	85s. 0d.
Imp. Tob. (Canada) 6% pfd.	27s. 6d.
Third Can. Gen. Inv.	6s. 6d.

Dominion and Provincial Bonds

(Furnished by Toronto Bond Traders' Assoc.)

October 9, 1935

Dominion of Canada Bonds

	Rate	Due	Bid Oct. 9	Asked Oct. 9	Approx. Yield	Bid Oct. 2
Dominion	3½	15 Oct. 1935	99.90	100.15	...	99.90
Dominion	4	15 Oct. 1935	99.90	100.15	...	99.90
Dominion	2	15 Oct. 1936	99.85	100.25	1.75	99.85
Dominion	5	15 Nov. 1936	102.00	102.75	2.45	102.00
†‡Dominion	5	1 Mar. 1937	105.50	106.50	.33	105.25
‡Dominion	5½	1 Dec. 1937	105.75	106.75	2.26	106.25
Dominion	2½	15 Oct. 1939	99.50	100.50	2.37	100.00
Dominion	4	15 Oct. 1939	102.50	103.50	3.05	102.50
Dominion	4½	1 Sept. 1940	104.25	105.25	3.32	103.75
Dominion	5	15 Nov. 1941	105.50	106.50	3.80	104.75
Dominion	3	15 Oct. 1942	100.00	101.00	2.84	99.50
Dominion	2½	1 June 1943	97.50	98.50	2.72	97.00
Dominion	5	15 Oct. 1943	106.50	107.50	3.90	105.75
Dominion	4½	15 Oct. 1944	104.50	105.50	3.77	103.75
Dominion	4	15 Oct. '43-45	102.00	103.00	3.56▲	101.50
Dominion	4½	1 Feb. 1946	104.50	105.50	3.86	103.75
Dominion	3½	15 Oct. '44-49	100.00	101.00	3.37▲	100.00
Dominion	4	15 Oct. '47-52	101.75	102.75	3.71▲	101.00
Dominion	3	1 June '50-55	97.00	98.00	3.14	97.50
Dominion	4½	1 Nov. '46-56	104.00	105.00	3.94▲	103.50
Dominion	4½	1 Nov. '47-57	104.00	105.00	3.97▲	103.50
Dominion	4½	1 Nov. '48-58	104.35	105.35	3.97▲	103.75
Dominion	4½	1 Nov. '49-59	104.35	105.35	4.00▲	103.75
Dominion Guaranteed Bonds						
*G. T. P. Ry.	3	1 Jan. 1962	96.25	97.25	3.16	97.50
Can. N. Ry.	3	1 May 1944	98.00	99.00	3.12	98.25
Can. N. Ry.	3	15 Dec. '45-50	97.50	98.50	3.13	97.50
*Can. N. Ry.	4½	1 Sept. 1951	106.50	107.50	3.86	105.75
*Can. N. Ry.	4½	1 Feb. 1956	106.50	107.50	3.96	106.00
†Can. N. Ry.	4½	1 July 1957	105.75	106.75	4.04	105.00
*Can. N. Ry.	4¾	15 June 1955	108.50	109.50	4.05	108.00
Can. N. Ry.	5	1 Feb. 1954	107.75	108.75	4.31	107.50
*Can. N. Ry.	5	1 July 1969	110.00	111.00	3.98▲	109.75
*Can. N. Ry.	5	1 Oct. 1969	110.50	111.50	4.17▲	110.25
*M. Harb. C.	5	1 Nov. 1969	110.50	111.50	4.17▲	110.25
Provincial Government Bonds						
Eastern—						
†N. Bruns.	4½	15 Apr. 1961	102.50	104.50	4.21	103.00
†N. Bruns.	5	15 Jan. 1960	106.50	108.50	4.43	106.00
N. Bruns.	5½	15 May 1960	108.00	110.00	4.57	106.00
N. Scotia	4½	15 May 1943	102.50	104.00	3.89	102.00
†N. Scotia	4½	15 Sept. '47-52	103.50	105.00	3.97▲	104.00
N. Scotia	4½	15 May 1961	104.50	106.50	4.09	105.00
†N. Scotia	5	1 Mar. 1960	107.50	109.50	4.36	107.50
*Ontario	4	1 June 1962	100.50	102.00	3.88	100.00
*Ontario	4½	1 Sept. 1944	104.50	105.50	3.77	103.50
Ontario	4½	1 June 1950	103.00	104.00	4.14	102.50
*Ontario	4½	15 Jan. 1962	104.50	106.00	4.12	103.00
Ontario	5	15 Oct. 1948	105.00	106.00	4.39	104.50
*Ontario	5	2 Dec. 1960	109.00	110.50	4.32	108.00
Ontario	5½	1 July 1946	107.25	108.25	4.54	106.75
O. H. C.	3½-4-5	1 Oct. '33-52	99.50	100.50	2.43	99.50
*Ont. Hyd. C.	4	1 Aug. 1957	101.00	102.00	3.86	100.00
Ont. Hyd. C.	4¾	1 Jan. 1970	103.50	105.50	4.44	103.00
Quebec	4	15 Mar. 1952	102.00	104.00	3.67	102.00
Quebec	4¼	1 Aug. 1958	105.00	107.00	3.79	105.00
Quebec	4½	2 Jan. 1963	107.00	109.00	3.96	107.00
Western—						
†Alberta	4	1 Dec. 1957	86.50	88.00	4.89	87.00
†Alberta	4½	1 Oct. 1956	88.00	90.00	5.29	88.00
†Alberta	5	1 Jan. 1948	90.00	93.00	5.79	92.50
Alberta	5	1 Sept. 1955	90.00	92.00	5.67	92.00
*Alberta	5	1 Oct. 1959	91.00	93.00	5.53	92.00
†Alberta	5½	1 Jan. 1947	94.00	96.00	5.98	94.00
Alberta	6	1 Mar. 1947	96.50	98.00	6.25	96.50
†Brit. Col.	4	1 Dec. 1957	90.00	92.00	4.57	90.00
*Brit. Col.	4½	15 Jan. 1951	94.50	96.50	4.82	95.50
†Brit. Col.	4½	1 Oct. 1953	94.00	96.00	4.83	94.00
†Brit. Col.	5	15 Jan. 1948	97.50	99.00	5.11	97.50
Brit. Col.	5	1 Sept. 1953	96.50	98.50	5.13	96.50
Brit. Col.	5½	1 Feb. 1945	98.00	100.00	5.50	98.50
Brit. Col.	6	15 Feb. 1947	100.00	102.00	5.76	100.50
†Manitoba	4	1 Dec. 1957	94.50	96.00	4.28	93.00
†Manitoba	4½	15 Dec. 1956	98.50	100.00	4.50	98.50
†Manitoba	5	15 June 1954	102.00	104.00	4.67	102.00
*Manitoba	5	2 Dec. 1959	102.00	105.00	4.65	102.00
Manitoba	5½	1 Oct. 1955	102.50	104.50	5.14	102.50
Manitoba	6	1 Apr. 1947	103.50	105.50	5.35	104.00
Sask.	4	15 Aug. 1953	85.00	86.50	5.16	86.00
*Sask.	4½	2 July 1945	94.00	96.00	5.01	95.00
†Sask.	4½	1 Oct. 1951	92.00	93.50	5.10	92.50
Sask.	5	1 Aug. 1958	95.50	97.50	5.19	95.00
†Sask.	5½	15 Nov. 1946	98.50	100.50	5.44	98.00
Sask.	6	15 Mar. 1952	101.00	103.00	5.71	100.50
Municipal Bonds						
†Calgary	5½	2 June 1944	75.00	85.00	7.90	75.00
†Edmonton	5½	1 Nov. 1945	83.00	87.00	7.35	83.00
†Halifax	5	1 July 1961	107.00	109.00	4.41	107.00
Hamilton	5	1 May 1950	99.00	103.00	4.72	99.00
Montreal	5	1 Mar. 1945	102.00	103.50	4.54	101.00
Ottawa	4½	1 July 1945	101.00	104.00	4.00	99.00
†Quebec	5	1 June 1959	103.00	105.00	4.65	103.00
Regina	5	1 July 1944	75.00	80.00	8.25	75.00
St. John	5	15 Dec. 1950	104.00	106.00	4.46	104.00
†Toronto	4½	1 Jan. 1955	102.00	104.00	4.20	102.00
Vancouver	5	1 June 1969	86.00	90.00	5.66	87.00
Victoria	5	21 July 1945	92.00	96.00	5.53	92.00
Winnipeg	5	1 Mar. 1944	100.00	103.00	4.56	100.00

* Payable Can., N.Y., and £, giving lowest possible yield.
▲ Calculated to call date.
† Payable Can., and N.Y.
• Calculated to maturity, although callable prior to that date.
‡ Exempt from Dominion income tax.

Winnipeg Stock Exchange

(Transactions from Sept. 28 to Oct. 4)

Div. rate in $	Yield in %		Sales	High for period	Low for period	Close Oct. 4
..	..	Federal Grain, pfd.	3	25.00	25.00	25.00
..	..	Flin Flon Synd.	2,100	.25	.22	.22
..	..	Candn. Fire Ins.	10	75.00	75.00	75.00
..	..	Gold Lake	4,400	.27	.25	.25
..	..	Knee Lake	4,350	.34¾	.33	.34½
..	..	Shawkey	1,000	.37	.37	.37
1	8	United Grain	65	12.50	12.50	12.50
..	..	Wingold	5,000	.04¼	.04	.04
..	..	Wylie Dom.	1,100	.11½	.11	.11½

Stocks Not Traded in During Week*

	Bid	Ask
Bailor Gold	.01½	..
Beaver Fire	..	100
Beaver Lumber, c.	..	3
Candn. Fire Ins.	..	75
City Dairy, A	..	10
Crescent Cream., pf.	27	..
Federal Grain	..	75
Northern Trust	...	7
Great-West Life	385	398
Home Invest.	25.00	30.00
Monarch Life	17.00	18.50
Rel. Grain, pfd.	..	72
West. Grain, pfd.	8	10
Can. Amer. Trust	3.05	3.30
Can. Inv. Fund	..	3.75
West. Brew.	..	1.95
Fundamental A	4.98	5.50
Series B	4.70	...
Grouped Inc.	4.65	5.10
Pelissiers, pfd.	15.00	..
Vanson Man.	.01	.02
Wallace Lake	..	.03

*Stocks more active on other exchanges not included.

DIVIDEND NOTICES

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of October, 1935.

On the Preferred Stock, one and one-half per cent. (1½%), payable on the 1st day of November to shareholders of record of the 21st day of October, 1935.

On the Common Stock, Seventy-five Cents (75c) per share, payable on the 15th day of November to Shareholders of record at the 5th day of November, 1935

By Order of the Board.

C. B. ROBINSON, Secretary-Treasurer.

Montreal, September 30, 1935.

Montreal Tramways Company

DIVIDEND NOTICE

Notice is hereby given that a dividend of TWO DOLLARS AND TWENTY-FIVE CENTS ($2.25) per share, for the quarter ending September 30th, 1935, has been declared upon the paid in Capital Stock of the Company, to shareholders of record on Saturday, the 5th day of October, 1935, at 12 o'clock noon, and payable on Tuesday, the 15th day of October, 1935.

By order of the Board,

PATRICK DUBEE, Secretary-Treasurer.

Monday, September 30th, 1935.

SIMPSONS, LIMITED

Preference Dividend No. 16

Notice is hereby given that a Dividend of One Dollar per share on the outstanding paid up six and one-half per cent Cumulative Preference Shares of the Company has been declared payable on November 1, 1935, to shareholders of record at the close of business on the nineteenth day of October, 1935. The transfer books will not be closed.

FRANK HAY, Secretary.

Toronto, October 7, 1935.

Canadian Dredge & Dock Co. Limited

Preferred Dividend No. 31

Notice is hereby given that the quarterly dividend of one and three-quarters per cent (1¾%), being at the rate of 7% per annum, has been declared on the outstanding 7% Cumulative Sinking Fund Convertible Preferred Shares of Canadian Dredge & Dock Co. Limited, for the quarter ending October 31st, 1935, payable November 1st, 1935, to Shareholders of record at the close of business on October 22nd, 1935.

By Order of the Board.

T. C. LUKE, Secretary.

Midland, Ontario, October 8th, 1935.

Canadian Dredge & Dock Co. Limited

Common Stock Dividend No. 17

Notice is hereby given that a dividend of One Dollar ($1.00) per share has been declared on the Common Stock of Canadian Dredge & Dock Co. Limited payable November 1st, 1935, to Shareholders of record at the close of business on October 22nd, 1935.

By Order of the Board.

T. C. LUKE, Secretary.

Midland, Ontario, October 8th, 1935.

VIEWS CONFLICT ON U.K. RECEPTION CANADA BUTTER

British Producers Hostile Despite Shortage Cold Storage Holdings

Empire Dairies Ltd., of London, England, state that offers in the North of England of 2,500 tons of Canadian butter under a subsidy scheme, have not brought about "any weaker tone in the market." It was generally felt that any such butter would be fully required.

Total stocks of butter in cold storage in Great Britain at the middle of September are estimated at about 22,000 tons compared with almost more than twice as much of the same date a year ago.

The statistical position of the British butter market, according to Empire Dairies, appears to be sound and "in order to retain a reasonable protective stock for the later months of the year consumption needs to be drastically curtailed."

This view does not correspond with that expressed in the agricultural papers of Great Britain. They show hostility to increasing Empire shipments of butter to the British market. Apparently it is not the weight of the relatively small amount of butter contemplated in the present Canadian subsidized export scheme so much as the fear that this first shipment in years may develop into a regular trade. This in the face of steadily mounting shipments from New Zealand and Australia has alarmed British domestic producers.

Although there has been some seasonal increase in the British prices of butter, recently, over a period of several years, they show an unmistakable decline.

Butter Stocks Up 7 Per Cent, But Less Cheese

Butter in cold storage in Montreal, Toronto and Winnipeg at the first of the month showed a gain of almost exactly one million pounds from the same period a year ago. This was an increase of about seven per cent.

Both cheese and ordinary cold storage eggs were down considerably from a year ago. Detailed figures as supplied by the Dominion Bureau of Statistics are as follows:

Cold Storage Stocks

Oct. 1, 1935	Sept. 1, 1935	Oct. 1, 1934
	Butter (lb.)	
15,595,000	13,785,000	14,524,000
	Cheese (lb.)	
16,144,000	21,112,000	21,280,000
	Eggs (doz.)	
2,990,000	2,215,000	2,718,000

BREWING CORP. SALES INCREASE AS SHARES DROP

Short Interest Suspected in Preferred Stock and Beginning to Cover

Brewing Corp. preferred dividend at the present rate of $1.75 a share will continue through the winter months in the opinion of individual directors canvassed by The Financial Post. Not one of them was in a position to commit the board to such a policy, but a majority of directors have the personal expectation of dividend continuance. The year ending October 31, 1935, will not reach original estimates, but it will show earnings much better than in the preceding year.

August sales exceeded $1 million and were 8.1 per cent ahead of August, 1934. September sales have been hampered somewhat by the cold weather but they too are ahead of September, 1934. Executives fully expect to cut winter losses below those of 1934-35.

Montreal Sells and Buys

Montreal wire dealers have been steady sellers of Brewing Corp. preferred shares ever since the stock started its decline from $17 a share. There is some street opinion that this has been short selling, which, however, is not normally large on Canadian stock exchanges. The view is also expressed that English interests may have been sellers. It is also possible that Montreal houses could have been acting as short circuits for sales from Toronto sources.

The belief that short selling from Montreal may have played a part in the recent decline is based on action of Brewing Corp. preferred early this week. After the stock had fallen off to as low as $8 a share, brokers with Montreal connections suddenly became buyers, bidding the price up to $10 a share within a few hours. If there is a substantial short interest in the stock, it would tend to provide a cushion of strength in potential buying. There is no means of ascertaining, however, that this belief in short selling is correct.

It is estimated that Ontario's present beer bill is $25 millions annually, after deducting value of bottles and kegs. In the year just coming to an end it is probable that Brewing Corp. provided for $7.5 millions of this amount. Company officials claim that sales have been increasing not only in total amount but in percentage of the whole.

Executives are Hopeful

At present market values for the company's preferred and common stock the whole enterprise is valued at about what the company paid for O'Keefe's Beverages a year ago. Yet the plants of ten other long-established companies were absorbed in the merger which created Brewing Corp. The delay in realizing estimated earnings is responsible for the fall in prices. Earnings increase has been marked but much less than had been anticipated. Executives state that, though expansion has not been as quick as expected, they are just as hopeful for the company's future as in 1933 and 1934. But they will not now state just how long it will take to realize their former expectations.

Some uncertainty with regard to preferred dividends also exists because $365,000 of 7 per cent guaranteed debentures and $450,000 of 5 per cent notes are due in 1936. The debentures are due on April 1, but it is definitely stated to The Financial Post that arrangements have been made to take care of these.

Dosco's Sydney Plant Running at High Level

From Our Own Correspondent

MONTREAL.—Dominion Steel & Coal Corp.'s steel plant at Sydney is now providing more employment than at any time in the last eleven years, according to an official statement issued by the company. The present payroll numbers 3,100 workers, or more than at any time since 1924.

Increased operations and adoption of the eight-hour day in most departments were given as the causes for the additional employment. By the first of the year, the statement said, the eight-hour day will be in effect in all departments.

Page-Hersey Strike Ends in Compromise

Page-Hersey Tubes, Ltd. plant at Crowland opened again on October 8 at the end of an 11-day strike which involved 600 employees. The employees accepted for a period of six months the company's offer of a basic wage of 35 cents per hour with graded increases for those already on a higher scale than the basic rate and recognition of the union formed during the strike. The company retains its nine-hour day and five-day week.

The result is a compromise between the 37½ cents an hour demanded by strikers and the .33½ cents an hour offered by the company. G. G. Halcrow, of the Ontario Department of Labor, aided in reaching the compromise arrangement.

Tip Top Tailors Starts Making Coats for Women

Although Tip Top Tailors experienced a slow summer, sales to the end of September in 1935 exceeded the total for the first eight months of 1934. September sales were higher than in September, 1934, which is a good augury. Profits to the end of August equalled the total for the same period in 1934.

Two new developments undertaken by the company are expected to develop profitably in 1936. For the first time the company is making clothes on an important scale for women.

Vancouver to Operate On Unspent By-law Fund

Vancouver has decided to use for current operating expenses $649,673 now on deposit with the Bank of Montreal as unspent portions of money by-laws. The city is earning 2¼ per cent on the money as a deposit. In return it has been borrowing from the bank at 4½ per cent to meet current expense. The net loss was 1¾ per cent, or roughly $1,000 per month. The council's action means that the money for current operations will be borrowed from the by-law fund instead of from the bank.

Wheat

From Our Own Correspondent

Feeling Is Easier

WINNIPEG. — Wheat price recessions at the beginning of the week seemed to indicate an easier feeling with respect to the war situation. Buyers were lacking whose action could be attributed to fears of the Italo-Ethiopian situation spreading. British and continental mills seemed to be holding back from the market, apparently willing to wait to see some definite trend established, and quite unalarmed about supplies, in spite of the constant repetition of statistics that seem to show Canadian wheat will soon be required in quantity.

In the United States the idea that war might bring about substantially higher prices prevailed much more strongly than in Liverpool.

Not only was there a rapid increase of speculative buying in Chicago and other wheat markets, but in addition traders in stocks and in bonds sought to acquire wheat and other commodities as a hedge against various inflation effects or against declines in prices of specific securities. Mills in the United States showed an increased desire to acquire wheat. Their customers laid in supplies of flour.

Active trading has been in progress in cash wheat of various grades for movement down the lakes, although the bulk of the grain shipped is going to swell quantities carried in elevators and ships in the east.

Easier Liverpool Feeling

CONCURRENTLY with war scare buying Liverpool began to feel somewhat easier with respect to prospective wheat supplies. Offerings from Russia began to increase substantially, giving the impression that Moscow might be tempted by high prices to spare considerable quantities of wheat for export. Estimates from this source ran as high as 50,000,000 bushels. At the same time a more optimistic outlook began to prevail with respect to the Argentine crop. Admittedly at the best the Argentine export surplus is bound to be small, but guesses at a possible 50,000,000 bushels or more are succeeding earlier guesses that there might conceivably be no export at all. In addition Australian prospects are believed to have been somewhat improved.

* * *

Agencies Puzzling

OBSERVERS are puzzled to make out what the government agencies are doing. There have lately been two bodies, both headed by John I. McFarland, active in the wheat market on government account. The Board has not yet taken over the carry-over wheat from the old stabilization operations, and has been dealing only with new crop wheat as purchased from farmers.

Old wheat has continued to be administered through the Canadian Co-operative Wheat Producers Ltd. Up to last May practically all of the old wheat holdings were in the futures market. After that millions of bushels of actual wheat in various positions were substituted for an equal volume of futures. Now it is believed that much of the old wheat has lately been switched into the futures market again. It has been put into contracts for next May. This week's price decline resulted in farmers' deliveries of wheat to the Board being much increased.

Latest reports as to threshing in northern Alberta give a more discouraged account of the crop there, with a larger percentage unavailable for threshing, and heavier frost damage to threshed grain than had been earlier indicated. Over a large area much of the wheat will be unsuitable for seed which will have to be brought in.

* * *

Wheat Board Selling

ALTHOUGH the Wheat Board is credited with having done some recent selling on the market, the general opinion appears to be that sales have not kept pace with receipts.

If Wheat Board selling is difficult to determine, it is equally difficult to determine the volume of deliveries to it. Some farmers continue to put their wheat in storage, taking time to determine whether they will accept the Board's minimum fixed price, sell at a higher market price or await the opportunity for doing so. On last week's sharp up-turn in the market deliveries of wheat to the Board at country elevators became sharply less, and open market sales by farmers increased accordingly.

Previously the Board had been getting all wheat delivered in certain of the low grades, as their price had been above the market level. On other grades, where the Board price was only fractionally below the open market, most farmers were delivering to the Board.

* * *

Grower's Position

BUT on any grade where the open market price was two cents or more above the Board price, a considerable portion of deliveries was sold outright, and the percentage rapidly increased with every additional cent of difference. The farmer who sells to the Board when he could get more from the open market is taking a chance on the ultimate value of the participation certificate he gets at the time of purchase, so he can be described as buying a participation certificate at so many cents a bushel.

A collection of reports from many scattered points indicates that practically all farmers are willing to pay one cent a bushel for a participation certificate, but that at two cents it is a doubtful transaction in the minds of most. Those who will risk as much as five cents are comparatively small, while very few will go as high as ten cents. Consequently the constantly changing relationship between Board and market prices, and the fact that the relationship is different with respect to different grades of wheat, gives a constantly changing percentage of deliveries to the Board. This in turn means that the weight of farmers' sales on the market is a constantly changing percentage of total deliveries, difficult to estimate at any particular moment.

MOISTURE SHORT MOST SECTIONS UNITED STATES

Important Bearing on 1936 Crops — Better in Canada

Seldom is there sufficient rain during the actual growing season to produce an average crop or better. Therefore, most moisture conditions during the fall and winter have a very distinct bearing on the summer crop. This is particularly important, of course, in regard to fall sown grains which bulk very large in the United States crop picture.

Moisture conditions at the first of October throughout United States were reported by the Department of Agriculture at Washington as only fair. Along the northwest Pacific coast throughout the New England States and down to Florida satisfactory conditions are reported.

There is ample moisture throughout most sections of Texas and north of that big state in a fairly narrow strip running eastward conditions are also described as satisfactory. Elsewhere rain is needed which means that present conditions are dry from California north and east to the Canadian border from southeastern B.C. to northwestern Ontario. In the Great Lakes region and also in Kentucky rain is needed. This lack of moisture, if it is not remedied during the next six weeks, will have an immediate effect on the amount of fall cultivation carried out.

The moisture situation in Canada, on the other hand, seems more promising, especially in the western provinces.

Farm Factors

Still Believe in Control

APPARENTLY many of the world's agricultural economists are still obsessed with the idea of controlled production. At the recent meeting of the International Commission of Agriculture in Belgium the conclusion was reached that agricultural conditions have not improved in most countries since 1932. These investigators believe that the picture will not materially change until some solution is worked out for so-called surplus wheat and edible fats.

The commission is convinced that the London Wheat Agreement of 1933 ought to be prolonged and improved and that apparently civilized countries should take measures to prevent the consumption of tropical fats and whale oil where these handicap normal consumption of butter and lard. The commission apparently did not state just why the fat in the form of butter and lard should be preferred to fat from the tropical vegetation.

After paying homage to the rather nebulous dream of controlled agricultural production the commission also decided that some stress should be paid on the necessity of reducing the cost of agricultural production as well as increasing consumption. Certainly in the latter line there seems more hope of the consummation of the commission's hopes than in any world-wide control of wheat or tropical fats.

Warns Wheat Grower Here Russia Can Jump Production

Canada would be well advised to send groups of scientifically trained and practical men to Russia to study the agricultural and transportation situation there, says E. Cora Hind, agricultural editor of the Winnipeg Free Press. Miss Hind is at present in Russia.

She states that within five years the Russian canal between the Volga and the Don Rivers will have been completed. The great dam on the Dnieper is already an accomplished fact. Russia will be able, Miss Hind is convinced, at any time after the canal's completion, to flood the markets of the world with good wheat at a price which no other country could touch.

"Russia has not yet much more than begun to develop her wheat acreage," states Miss Hind. "The 93 million acres in wheat in Russia this year are capable of great expansion. But even an increase of one or two bushels per acre, always a probability, would give a tidy amount for export without touching the previous home supply. At a low price in comparison with world markets, this exportable surplus would be quite sufficient to upset Canada's apple cart."

Should even the Russian state buy wheat from her collectives at a higher price than the fixed price of her levy, the cheap water transportation will soon be able to place wheat on the markets of the world at a price much below Canada's power of competition, Miss Hind says.

FREIGHTS HIGHER AS GRAIN TRADE VOLUME HIGHER

But Rising Cost Ocean Shipping Hurts Competitors More

From Our Own Correspondent

WINNIPEG.—Lake freight rates have advanced from 1½ to 2 cents a bushel from Fort William to Montreal.

During the early summer the vessel owners found themselves unable to maintain the six cent rate which had prevailed during last year. At a time when the government agency had been practically the only forwarder of wheat down the lakes, freight rates were beaten down to four and a half or even to four cents.

Rates Move Up

Lately, with a large movement of grain in progress on the lakes, vessel owners have been able to get back the six cent rate, and occasionally even six and a half cents. Delays in unloading, however, make the rate less attractive for congestion of eastern elevators has made it necessary for vessels to wait days before getting a chance to unload, and no one knows what further delays may be in prospect.

Helped by Ocean Rise

Lake freights have been helped by the rise which has taken place in ocean rates, especially from Vancouver. This has cut down the volume of business at that port, and by putting Vancouver prices at a considerable discount under Fort William, has created a demand for larger movement of grain by the eastern route. Increased insurance rates, amounting to practical prohibition and war business with Africa have combined to put Italian vessels and their cargoes practically out of grain carrying.

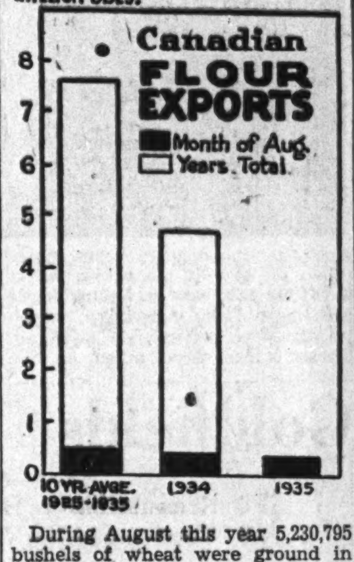
A rise in ocean freight rates, because it operates to the disadvantage of the long trading routes, helps Canada in grain shipments, for while there may be some increase in the cost of sending grain from North American Atlantic ports, it is very much less than the advance in the cost of Argentine or Australian shipments. Such a situation creates a corresponding disadvantage for Vancouver as compared with Atlantic ports.

FLOUR OUTPUT SHOWS DECLINE DURING AUGUST

Exports Lowest Since April — Unsettled Grain Prices Cited

Although showing an improvement over July, August production of flour in Canada was down considerably from the same month a year ago. Turning out less than 1.2 millions of barrels, the Dominion Bureau of Statistics estimates that less than 50 per cent of the capacity of Canada's mills was used. The drop probably reflects the sharp fluctuations in grain prices with consequent unsettling market effects.

Exports for the first month of the 1935 crop year were the lowest since April and substantially lower than August a year ago.



During August this year 5,230,795 bushels of wheat were ground in Canadian mills compared with about half a million bushels more in the corresponding month a year ago. Oats and corn were lower than for August, 1934, while barley, buckwheat and mixed grains were higher.

The following tables show the amount of wheat flour produced in Canadian mills month by month and exports.

Flour Production and Exports

	Production Bbls.	Export Bbls.
Crop year, 1934	14,119,369	4,750,310
1934		
August	1,282,214	412,089
September	1,383,205	369,320
October	1,654,189	485,549
November	1,703,831	504,384
December	969,482	340,751
1935		
January	1,024,958	346,099
February	941,417	309,729
March	1,046,087	497,468
April	965,765	276,907
May	1,164,322	333,221
June	991,559	429,561
July	992,340	395,232
New Crop Year Commences		
August	1,161,389	376,562

Wheat Prices

(Cash Quotations)

	Aver. for week Sept. 27 $	Previous week $
At Winnipeg:		
No. 1 Man. Hard	0.915	0.945
No. 1 Northern	0.911	0.942
No. 2 Northern	0.880	0.910
No. 3 Northern	0.834	0.871
No. 4 Northern	0.799	0.829
No. 5 Wheat	0.715	0.744
No. 6 Wheat	0.640	0.656
Feed Wheat	0.500	0.497
At Vancouver:		
No. 1 Northern	0.886	0.914
Milling Wheat*	0.60	0.60

Competitive Export Prices: (September) shipment:

	High Week to Oct. 4 $	Low $
No. 1 North. (Vanc.)	1.12⅜	1.08⅛
No. 2 North. (Atlan.)	1.09½	1.01⅛
No. 2 North. (Vanc.)	1.09¼	1.09¼
Argentine Rosafe	0.98¼	0.91½
Do., Barusso	0.96¾	0.83⅜
West Australian	0.96⅝	0.90⅝
French	unquoted	
Russian	0.96¼	0.90⅝

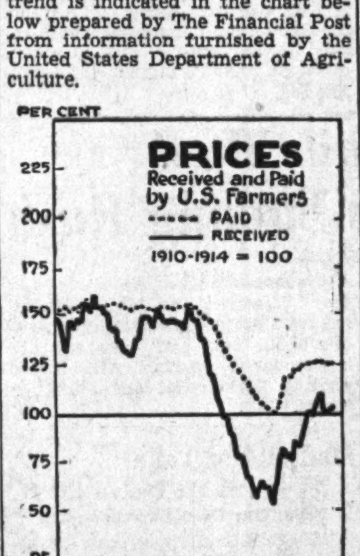
*New crop.

United States Farmers Get More but Pay More

A.A.A. and Drought Send Up Prices But Purchased Products Rise, Too — Some Benefits to Canadian Farmers

Although there has been a very sharp rise in prices received for agricultural products in the United States since the beginning of 1933, prices received for commodities bought by farmers still show very little inclination of coming into the same area.

Shortages created by the restrictions of the Agricultural Adjustment Act and also by the big drought of the mid-western states of 1933 shot prices in certain lines to almost war-time levels. But just as the farm product price level rose, so did the price level of those things the farmers must purchase. The trend is indicated in the chart below prepared by The Financial Post from information furnished by the United States Department of Agriculture.



This chart, of course, is based on all leading agricultural products. If broken down it would undoubtedly show certain lines increasing much more than others, notably hogs, beef cattle and grain. As a result of these sharp gains last year there was a great deal more money in the farmers' hands in certain sections than for many years previously. This added purchasing power was immediately reflected in much larger purchases of farm machinery, trucks and automobiles and also by increased attendances at the various state fairs.

On the other hand there were declines in cotton and cotton seed, fruit—and miscellaneous commodities.

Before the sharp increases in the United States tariff in 1930 there was a very close relation between farm prices in that country and those prevailing here. Following that increase, however the relationship disappeared until very recently when rising values across the line tended to offset the tariff in such commodities as meat animals.

In wheat, the 42 cents duty is not expected to prevent imports up to 50 million bushels of Canadian grain this year. In this case, however, the tariff plays only a secondary part, low quality and low yields in United States being primarily responsible for the predicted trade. The tariff, it is stated, is largely offset by a processing charge against all United States grown wheat, such charge being used to partly defray A.A.A. bonuses.

Water Heaters

Factory sales of water heaters for domestic use numbered 25,979 units valued at $229,896 in 1934. This total included 11,600 electric heaters at $94,011 and 14,379 gas heaters at $135,885.

Key Facts About Wheat

	Week bu.	Prev. Week bu.	Same Wk. Prev. Year bu.
Canadian Wheat in Store:			
Terminal elevators (Oct. 4)	72,785,000	68,952,000	78,293,000
Country elevators (Oct. 4)	70,290,000	63,803,000	85,640,000
Total (all points), (Oct. 4)	127,217,000	118,405,000	163,933,000
World Shipm'ts. (incl. flour), (wk. Sept. 30)			
North American	3,619,000	3,569,000	3,256,000
Argentine	1,056,000	2,555,000	3,768,000
Australian	834,000	2,383,000	2,872,000
Others	1,616,000	1,274,000	11,832,000
Total (world)	7,125,000	9,781,000	10,864,000
Country Marketings and Exports:†			
Canadian exports (Oct. 4)	3,094,000	3,256,000	4,198,000
Cum. to Oct. 4 (9 weeks)	20,472,000	17,377,000	29,642,000
Country marketings (Sept. 20)	18,803,000	17,741,000	10,771,000
Cum. to Sept. 20 (7 weeks)	60 896,000	43,094,000	80,437,000
Country deliveries (Cum. Oct. 4)‡	104,155,000	85,429,000	96,806,000
Country loadings (Cum. Oct. 4)‡	73,816,000	61,345,000	68,613,000

†Excluding flour. ‡Sanford Evans Weekly Report.

Winnipeg Grain Prices

Week to Oct. 8, 1935

Crop year from Aug. 1, 1935 High	Low		Open Oct. 2	High for week	Low for week	Close Oct. 8
		Wheat				
.98½	.82⅝	Oct.	.93½	.96½	.92½	.92½
.98¼	.82⅝	Dec.	.93⅞	.98¼	.92⅞	.92¾
1.02¼	.85⅝	May	.97⅞	1.02¼	.96½	.96⅞
.98	.90⅝	Nov.	.95	.98	.93	.93
		Oats				
.35½	.30⅝	Oct.	.31¼	.33⅝	.31⅛	.31¼
.33½	.28½	Dec.	.31⅛	.32⅜	.29¼	.29¼
.35⅝	.32⅝	May	.33⅞	.35⅝	.32	.32
		Barley				
.39½	.32¼	Oct.	.36	.38⅜	.35⅛	.35¼
.39½	.32¾	Dec.	.37⅞	.39½	.36⅛	.36¼
.42½	.36¾	May	.39⅞	.42	.39⅛	.39¼
		Flax				
1.49½	1.21¼	Oct.	1.44⅝	1.49½	1.40	1.40⅝
1.48⅞	1.19¾	Dec.	1.45	1.48¾	1.40	1.40
1.54	1.33	May	1.49¾	1.54	1.45	1.45
1.46⅛	1.39	Nov.	1.46⅛	1.46¼	1.40¼	1.40¼
		Rye				
.47½	.36¾	Oct.	.42¾	.47½	.42¾	.44
.49½	.38⅛	Dec.	.44⅞	.49½	.44⅞	.45⅞
.51½	.44⅝	May	.48⅝	.51½	.49⅝	.49⅝

Canadians See Big Changes In Modern Machine Tools

"Speeds feeds and control" featured the highly successful Machine Tool Exposition held last month at Cleveland, says H. V. Butterfield, editor, Canadian Machinery. The meeting was attended by 500 Canadian industrialists and engineers; was the first to be held in six years. A very large volume of business was transacted right on the floor of the exhibition.

"The meeting," says Mr. Butterfield, "brought home very vividly the many changes in machine tool design of recent years; showed clearly to those who attended that the many advanced mechanical improvements that have been made cannot be applied to used equipment. In short that millions of dollars worth of equipment has been rendered obsolete by the advances of the past few years.

"Six years of depression has greatly stimulated machine tool builders. Designers have striven to put the tool completely under the operator's direct command whether mechanical, electrical or hydraulic controls are used. Simpler construction, better lubrication, general use of ball bearings have increased accuracy and prolonged life.

Undoubtedly the increased business in the automotive industry has been responsible for many of these improvements. Production machine design has advanced much more rapidly than that of specialized machines; on the other hand, many features applied to production machines can be utilized in special purpose equipment.

"No longer can Canadian manufacturers disregard these mechanical improvements if they are to meet quality and price in home and foreign markets."

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News of Canadian Mining Investments

The Week in Mining

Foreign Money

SMALL, but of some significance, are the reports drifting in from various mining camps in Canada, to the effect that money from Europe is now behind this or that venture.

Two concrete cases have recently been reported in The Post where money, in fairly substantial amounts, is being provided by foreign financiers for mining development here. One case was the B.R.X. Gold Mines property adjoining Bridge River Consolidated in the Bridge River area of British Columbia. The second case was that of the Sylvia Mining Co., in the Rice Lake district of Manitoba.

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German Viewpoint

IN THE case of B.R.X., French and British financiers have combined to take up 50,000 shares in a new company, per month, at 20 cents per share, the first payment of $20,000 falling due Oct. 15.

Holland money is reported to be backing Sylvia Mining Co., in Rice Lake, to the extent of 5,000 shares at $5 per share.

Both these properties are still in the speculative stage of development, but both appear to have fair possibilities.

A few days ago, a member of The Financial Post editorial staff was talking to a visitor from Germany, who represented, through various connections, considerable German capital. While chiefly interested in developing commercial contacts, this party, who desired to remain anonymous, admitted that he had been asked by several German capitalists to report on senior Canadian gold stocks, with the object of placing a large amount of German money in established producers.

Reason for this move which he saw as a potentially important trend, was the prevalent doubt in Europe over stability of foreign currencies, he stated. These German financiers had firm faith in gold. They were, in other words, seeking a hedge against European commercial and monetary disharmony.

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Do We Know Taxes?

WHILE this case differed from the two mentioned above, in that this money was destined for the senior producers, and not speculations, it typified the same thing, faith in gold and in the Canadian gold industry.

This German representative was asked if there was no fear abroad over present and possible mining taxation. The retort was a laugh, and the statement: "You, over here, don't know what taxation is. My principals would have gone into Rand mines if Canadian taxation had bothered them. It doesn't."

Years ago, British and European capital was eager to enter Canadian mining. A few natural failures and more frequent wildcat promotions, however, chilled this ardor noticeably. The present attitude of the English financier to Canadian gold mining is all too apparent and well known.

• • •

Give Them a Chance

WITHOUT the stimulus which Ontario and Quebec mining has received from the discovery of new fields, British Columbia today is suffering from this once-bitten-twice-shy attitude on the part of the investor.

If, as seems likely, foreign capital, worried over affairs at home, starts to again trickle into the Canadian industry, it is to be devoutly hoped that Canadian mining men, profiting from the lessons of the past will give foreign investors a real run for their money. It is equally to be hoped that these same investors will do a little more investigating before making a selection than they did in years past.

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Copper Prices Rise

WAR influences continue to send price of copper upward. Early this week the New York export price touched 9.10 cents a pound, the highest level in more than four years. During the past week heavy purchases have been made in New York for export.

Although it is impossible to determine how much of the buying abroad has been for belligerent purposes, the feeling of the trade is that most of the purchasing has been inspired by the war and by the fear that other nations besides Italy and Ethiopia may become involved. It is felt in any case that the situation will result in an increase in armaments, which will mean a greater demand for copper.

In some circles the recent advance in price is not looked upon with favor. The rise in part has been due to speculative purchases and this, it is felt, is not a healthy situation. Concern has also been expressed for the international copper agreement which limits the export business of producing nations. Reports are prevalent, despite official denial, that there is danger of the accord being scrapped.

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War Influences Market

TRADING on the mining section of the Toronto Stock Exchange in recent sessions has reflected war influences and higher prices for copper. Base metal stocks have been the most active, prices of stocks in this group recording a sharp spurt as a result of heavy purchases of copper in the New York export market and a new high for the metal in more than four years.

Noranda, Hudson Bay Mining and Smelting, and International Nickel provided the best performances since they will derive large benefits from the increase in price. Other base metals such as Falconbridge, Sherritt-Gordon, Mining Corp. and Sudbury Basin also registered advances.

In the golds trading has been listless with price action narrow and erratic. For the time being the attention of speculators is concentrated mainly on the base metal group. Destruction of the Granada mill by fire brought heavy selling in that issue. Silver issues have shown strength with B.E.A.R. the most active. Oils have been dormant.

FALSE RUMORS KEEPING ASHLEY AT HIGH LEVELS

Despite Official Denials Stock Somehow Kept Buoyant

NO GOOD NEWS

Company View Still Sees Operations as Having Limited Life Expectancy

Queried by The Post, officers of Ashley Gold Mining Co., subsidiary of Mining Corp. denied official basis for the rumors, prevalent in Elk Lake, and given credence by the daily press, that the company had again picked up the ore body on its property in the Matachewan district. The ore body, Post readers will recall, was displaced by faulting.

In view of the fact that Ashley is generally conceded to have a limited life, it would be of great importance if this ore body were found again.

Officials of the company, however, are quick to deny this report, confirming the fact that, unless new ore is developed within the next six months, the company's operations will cease.

Several Such Rumors

Ashley has been the victim of several such rumors in the past two or three weeks, all of which have resulted in buoyancy in the stock. None of these rumors find official confirmation, when traced down by conscientious newsmen. But in the meantime, the stock reaches levels which would be very convenient for anyone loaded with these shares.

In August, when issuing a report for the first six months operation at the property, Mining Corp. reported:

"In spite of energetic exploration and development work, ore reserves have been further reduced from the 31,000 tons estimated at Dec. 31, to 21,000 tons. In addition to underground exploration, diamond drilling and trenching on surface is still proceeding in the hope of developing new ore."

Later in August, it was announced that Dr. W. F. James had been appointed to examine the property and report on the advisability of further exploration and development.

This report is not, at time of writing available.

Even if further development work is considered advisable, it is thought that the company would be forced to draw on treasury funds, since the grade of ore passing through the mill is not yielding enough revenue to take care of current costs.

From the following table of production it will be seen that while the tonnage treated has been fairly consistent, grade has been erratic.

	Tons milled	Gold (oz.)	Silver (oz.)	Gross value $
Jan.	3,639	1,131	205	39,530
Feb.	3,619	954	67	33,541
March	4,030	1,066	156	37,692
April	3,673	816	146	28,895
May	4,021	1,032	143	36,187
June	3,506	807	115	28,429
July	3,735	763	116	26,815
Aug.	3,724	886	141	31,033
	29,967	7,455	1,069	262,122

Note:—In addition to the above production for August, the company recovered 119 ounces of gold and 26 ounces of silver, valued at $4,071, in the form of slag.

As at Dec. 31, 1934, Ashley showed current assets of $149,511, including stores and prepaid expenses. Current liabilities at that time were $18,998, consisting entirely of accounts payable. This left a working capital position of $130,523.

Mining Corp. officials have been quick to pass on development results to shareholders and the public generally, which makes it all the more difficult for observers to understand how the recent crop of rumors could have been taken seriously.

That some have taken them seriously is evident in the market action of the stock.

Since Aug. 30, when the high for the day was ten cents per share, the stock has hit the following highs on the dates shown:

Sept. 7	$0.06¼
Sept. 11	0.07
Sept. 18	0.10
Sept. 27	0.13
Sept. 30	0.1[illegible]
Oct. 4	0.18
Oct. 8	0.17

Since all of Ashley's three million shares authorized capitalization is outstanding, the public is, at 18 cents per share, placing a value of $540,000 on this property. Par value of the stock is $1.

Duport Seeks to Find Vein After Faulting

From Our Own Correspondent

WINNIPEG.—Work on the Cameron Island prospect of the Duport Mining Co., Ltd., has progressed from the winze sunk 120 ft. below the second level, with a crosscut run to pick up the Mariposite vein. When encountered, this body was driven for a length of 82 ft., at which point faulting has displaced the ore body. The drifting completed showed average vein matter width of about 12 ft., and of similar grade to that opened on the second level, it is stated. Work now is concentrated toward solving the fault condition so that the Mariposite vein can be picked up again, and this may entail diamond drilling should underground exploration fail after a try. The drilling, if necessitated, will be undertaken from underground and through the ice of the lake after freeze up.

Duport Mining Co., Ltd., is a combination of U.S. and Canadian Lakehead interests, the company taking its name from the first portions of Duluth and Port Arthur; Ventures, Ltd., is also interested through having received stock in return for exploration funds advanced.

Metal Prices

New York—Oct. 8—
Copper: Electrolytic spot and future, $9.25.
Silver: 65⅝c.

London—Oct. 8—
(Long Ton)—
Copper: Electrolytic spot, £40; future, £41.
Standard spot, £35 7s 6d; future, £35 12s 6d.
Tin: Spot, £227 15s; future, £218.
Lead: Spot, £18 17s 6d; future, £18 17s 6d.
Zinc: Spot, £16 10s; future, £16 15s.
Gold: 141s. 10d.
Silver: 29¾d.

Canada—Oct. 8—
Gold: $35.40.

Views from Goldfield Operation

Above are shown some recent photos taken on one of the properties at Goldfields, the new gold-pitchblende area near Lake Athabasca, which is attracting nation-wide attention. These scenes were taken on the property of Athabasca Portal Gold Mines. Top is shown an airplane view of the camp, the 'plane having been a friend in need in transporting men and supplies to this remote district. Bottom, left, shows a surface trench, in which the massive galena showings, over 3½ ft. in width, are plainly visible. Bottom, right, is another rock trench on this property. Winter plans for this district are explained in the accompanying article.

Goldfields

First Season Shows Dire Need for Solution of Transportation at Lake Athabasca

From Our Own Correspondent

REGINA. — Mining companies working in Lake Athabaska region will do something next summer about the transportation situation from Waterways, which proved to be a serious drawback for further development of the Goldfields region this year.

Meetings of representatives of the companies will be held this winter and before spring arrives it is expected some solution to the problem will be reached.

At present, men in the field report, the number of men employed has been set by the rate food and equipment were brought in and this has retarded development of a field which contains great promise.

Hazardous Shipping

On the route from Waterways, the railhead, to Goldfields, the mineral belt terminus, are two river boats, flat-bottomed and unable to traverse the lake. Freight and passengers are therefore transferred at Chipewyan to two lake boats, better able to buck stiff winds but even these are forced at times to shelter behind islands for days. As a result shipping into Goldfields is a somewhat hazardous venture and by no means on a schedule basis. To save the day at times, food was shipped in by 'plane.

Even without flood damage causing washouts on the Northern Alberta railway, like those that delayed traffic seriously this summer, the present river and lake bottoms are by no means adequate for the traffic they will have to bear next summer.

Plan Winter's Work

Already prospectors are starting out for distant fields in the Athabaska region. Some are working northwest into the Tazin Lake region and beyond. Others are working easterly and north-easterly into a practically unexplored country. Working along the Fond-du-lac River, east from Goldfields, prospectors are reported to have made a very good strike in vicinity of Robillard River. No details are available yet but men from Athabaska regard it as a worthwhile discovery. This strike is 60 miles east of Goldfields and on the waterline.

In the area immediately surrounding Goldfields the winter's work will include extension of the Consolidated Mining and Smelting Co.'s two shafts with drifts, work on a shaft on the Athona property, considerable drilling on the Athabaska Portals property and preliminary work on other discoveries made late this summer. Athabaska Portals are shipping in their own assay plant. It is the intention of this company to drill all winter long in an effort to prove its ore bodies. The main strike on claims four and five are reported to be quite good.

Copper Prospects

After spending the summer in Lac la Ronge area Dr. D. M. E. McLarty of the federal geological survey with a party of 14 others has passed through Regina. Dr. McLarty reports prospects for copper in this region to be good and average for gold. Judging from rock formations on the northern boundary of the Lac la Ronge map, Foster Lake area appears to be a better prospect, in his estimation. Formations in the la Ronge area are largely granite whereas other parts show a larger percentage of sedimentary and volcanic rock and the prospect of worthwhile discoveries is greater in the latter portions of the north.

Make First Clean-up At God's Lake Gold

God's Lake Gold Mines has completed its first clean-up from the new 150-ton mill, on its property in God's Lake, Manitoba. The clean-up is reported to have netted 544 ounces of gold valued at about $20,000.

As is usual with new milling units, considerable gold was absorbed in the circuit, and the figures above, which are the result of 15 days milling, cannot be used as indicative of future recovery possibilities at this producer.

Meanwhile, underground work on the fourth level has intercepted the ore, although values were not available from official sources at time of writing.

Clear Site for New Mill At Schreiber Pyramid Gold

The mill site at Schreiber Pyramid Gold Mines, in the Schreiber area of northern Ontario, is being cleared, it is officially announced. A camp is being erected and foundation timbers for the mill built.

The company reports that a new vein, 2½ ft. wide has been uncovered. This new showing is being cross-trenched to determine its extent, after which sampling will be done.

July Silver Output

Canadian production of silver amounted to 1,162,907 ounces in July, as against 1,299,227 in July last year. Quotations on the London market during the month averaged 68.36 cents per ounce. At this price the Canadian production was worth $795,026.

July Zinc Output

Production of zinc in Canada during July declined to 27,568,983 pounds from the June total of 28,163,152. In July, last year, 22,177,066 pounds were produced. Quotations for zinc on the London market averaged 3.11904 cents in July, at which price the month's output was worth $859,888.

SHUTDOWN SHOWS IN HOWEY'S PROFIT

Recovery Per Ton Up in Third Quarter Report

Due to two week's shut-down, and the fact that the mill was still treating ore from a leaner section, Howey Gold Mines, low grade Patricia producer, reports that bullion production for the third quarter of the year was slightly lower, at $290,232, from 108,424 tons of ore.

Costs for the period were also up slightly, averaging $1.85 per ton, before taxes, depreciation, etc. The two weeks' shut-down occurred early in the third quarter, when the shaft was being repaired.

Comparative record of this company for the first three quarters of 1935 is as follows:

Quarter ended:	Tons milled	Recov. per ton $	Bullion recov. $	Aver. costs per ton $
Mar. 31	122,008	3.07	374,931	1.80
June 30	123,166	2.59	319,658	1.77
Sept. 30	108,424	2.67	290,232	1.85

Commenting on the report, R. T. Birks, president of Howey, pointed out to The Post that the shut-down in July lopped a tonnage of about 20,000 tons off Howey's mill feed. With a recovery per ton slightly higher than in the second quarter, it may be assumed that production would have increased in the third quarter, were it not for the enforced two weeks' idleness.

It is hoped, Mr. Birks stated, to make up this loss in the fourth quarter. Evidences at the property are, he said, that the lean section of ore through which development has been passing has been left behind, and the grade is expected to be higher in the fourth quarter.

Film of Oil Spoils Well But Starts Staking Rush

From Our Own Correspondent

WINNIPEG.—The fact that there was "oil in them thar wells" has started a rush to stake oil leases in the Birdtail river district a few miles north of Rossburn in Manitoba.

Last year Postmaster White, at Birdtail, decided to dig himself a new water well. He delved down about 15 ft. and got water all right, but it had an oily scum on it and was not fit to be used for drinking purposes. This year he tried again. He dug another well and again he got sufficient oil in the well to spoil the water for drinking purposes. He mentioned it to a friend and shortly thereafter an enterprising Winnipeg syndicate put stakes up on a considerable acreage.

To date more than 20 licenses have been issued by the Mining Recorder's office for leases in the locality and as each license entitles the holder to stake and record an entire section of land, a large area has now been blanketed in oil leases.

No real work has been done yet and very little recording has been done. It costs approximately $85 to record a section of land, and to date most syndicates interested have been getting leases first of all and deciding what is to be done later.

Government maps indicate oil shales in the vicinity and for many miles north, including a portion of the Riding Mountain reserve. Apparently on the same general structure lying to the north are oil indications which in year past have been drilled, but without much success. However, the latest "strike" has been keeping the mining recorder's office busy and there are still a number of parties who intend visiting the district and filing on leases.

Madsen Red Lake Shaft Down 20 ft.

From Our Own Correspondent

WINNIPEG—With a crew of between 75 and 80 men working, Madsen Red-Lake is now shaft sinking and completing an overland road between its property and the Howey Gold Mine. Marius (Maddy) Madsen spent several days in Winnipeg last week in connection with the purchase of supplies for the property and brought with him some jewellery samples that compare favorably with similar samples from any section of the country. The property has already proved length and width of its main vein and also depth to around 300 ft. Three or four other veins have been discovered and these are also being surface prospected.

The shaft is now down approximately 20 ft. The steam plan of McKenzie Red Lake has been purchased and will be hauled over the new road as soon as possible, much of it already lying on the Howey dock. While the property lies only six miles south of the Howey, it was necessary to build the road approximately eight miles.

CONSOL. SMELTERS OUTPUT DECLINES IN THIRD QUARTER

Gold Production in First Nine Months Jumps 20,000 oz.

Production of Consolidated Mining & Smelting Co. in the three months ended Sept. 30 was slightly lower than in the previous three-month period, the company's regular quarterly report shows. A small decrease was recorded in lead, silver, gold and copper while zinc output was 1,096 tons higher.

Output in the nine months ended Sept. 30 was, however, higher than in the corresponding period of 1934 in the case of every metal produced by the company with the exception of copper. Output of this metal declined 10 tons.

The most marked increase was shown by gold output which jumped over 20,000 ounces. The increase in gold output during the first nine months of the year alone meant $700,000 additional revenue to the company.

Comparative quarterly figures for 1935 and for the first nine months of 1935 and 1934 are given below:

Production

	3rd quar. 1935	2nd quar. 1935	1st quar. 1935
Lead, tons	40,074	40,781	39,991
Zinc, tons	31,191	30,095	27,193
Copper, tons	nil	84	235
Silver, ozs.	1,835,247	2,110,344	1,692,775
Gold, ozs.	18,217	18,239	9,992

Nine Months Ended September 30:	1935	1934
Lead, tons	120,846	115,000
Zinc, tons	88,478	80,024
Copper, tons	319	329
Silver, ounces	5,638,366	5,567,355
Gold, ounces	46,448	25,810

Grab Samples from N. W. Ont.

From Our Own Correspondent

JELLICOE.—The Oba area continues to supply news of exploration in a field now getting its first real development tests after years of near-idleness. Shenango Gold Mines, has opened up several new surface showings and the crew is also opening up ore in surface cuts to supply the small mill which is to be installed shortly on the prospect.

Pre-Cambrian '35 Exploration Syndicate is a new organization to enter Oba, having acquired a block of claims adjoining Shenango on the north.

• • •

Killeon Finds Veins

Killeon Gold Syndicate, Ltd., operating in the Sturgeon River field, reports locating nine veins considered of economic promise. All assessment work on the nine claims of the original holdings, as well as nine additional claims staked to the north, has been completed. Samples shipped for assay have been reported on, showing values from .24 ounces to 2.03 ounces gold, said over mining widths.

• • •

Explore Old Regina

An enlarged exploration programme is planned for the old Regina mine, former producer in the Lake of the Woods area, by the present operating company, Horseshoe Mines. The Horseshoe is developed to a depth of 675 ft. by a main shaft and a winze from 565 ft. to the lowest level, and six development horizons have been partially opened in former work. The shaft is being kept clear of water, and retimbering will be an early item of the programme, to be followed by active underground operations.

• • •

Wells-Long Lac Shaft

Pending delivery of the mining plant at Wells-Long Lac Gold Mines, preparations are being made for its receipt and installation. Meanwhile, a start is being made on the shaft, with first work carrying the sinking through extremely heavy overburden which is a feature of the claims.

Ore Shipments to Trail Amount to 14,260 Tons

Ore and concentrate shipments received at the Trail smelter of Consolidated Mining and Smelting Co. during the week ended Sept. 30 totalled 14,260 tons. The company's own mines accounted for 95 per cent of the total or 13,641 tons. Concentrate shipments from mines not owned by the company amounted to 413 tons and ore shipments 206 tons.

A detailed statement of receipts for the week is given below:

Name of Mine:	Tons
Bay	60
Beaver	29
Eureka	21
Georgia	4
Glacier Gulch	38
Highlander	2
Highland Lass	49
Keystone	9
Olalla	4
Columario (concentrates)	1
Dentonia (concentrates)	57
Mammoth (concentrates)	122
Morning Star (concentrates)	24
Nicola (concentrates)	42
Noble Five (concentrates)	27
Reno (concentrates)	32
Union (concentrates)	20
Ymir (concentrates)	48
Yankee Girl (concentrates)	40
	619
Company mines	13,641
Grand total	14,260

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Central Patricia
Pickle Crow
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What is a cash reserve?
A cash reserve is a Savings Account Balance sufficient to provide for emergency.
Regularity in Saving provides the reserve
IMPERIAL BANK OF CANADA
HEAD OFFICE - TORONTO
BRANCHES THROUGHOUT CANADA

At the Mines

Adanac Gold Mines—Reports that downward extension of the "H" vein has been cut on the 500-ft. level. The vein was cut by a crosscut 17 ft. to the south driven from the drift at a distance of 145 ft. east of the shaft. While no assays are available as yet the vein where cut shows 7 ft. of solid quartz.

* * *

Algold Gold Mines—Satisfactory results are being obtained at this company's property in the Goudreau area according to officials. Development in September opened up new ore conditions which lead the management to believe that earlier development on the 100 and 200-ft. levels was not on the main vein, but on a secondary vein occurrence. Exploration is under way on these two levels. The option on treasury shares which expired Sept. 30 has been extended for 30 days.

* * *

Arbade Gold Mines—C. A. Floyd, managing director of the company, reports that the head office has been changed from St. Catharines to 10 Adelaide St. E., Toronto.

* * *

Bidgood Kirkland Gold Mines—S. A. Pain, consulting engineer, reports that drilling on the vein to the west of No. 2 shaft at this Kirkland Lake property cut it at a depth of 50 ft. showing four ft. width.

* * *

Buffalo-Ankerite Gold Mines—Production in September is estimated at $86,000 from 13,752 tons milled. This compares with an output of $92,566 in August from 14,327 tons milled.

* * *

Churchill Mining and Smelting Co.—W. R. Knox, president reports that a steam plant has been installed and that 14 men are actively engaged in development work. Crosscutting and drifting has begun on the 100-ft. level. One vein has already been cut. The crosscut is to be continued to cut two additional veins so that work can be carried on in a number of faces at the same time.

* * *

Central Patricia Gold Mines—September production amounted to $73,000 from 3,460 tons as compared with $71,060 in August from 3,604 tons. The comparative average recovery per ton was therefore $21.09 in Sept. as compared with $19.71 in August.

* * *

Dentonia Mines—Operations of the company improved in September, profit for the month at $20,000 being $6,000 higher than in the previous month. Gross output was between $37,000 and $38,000 as compared with $31,000 in August. Announcement has been made that directors have decided to move the head office of the company from Calgary to Vancouver.

* * *

Diana Gold Mines—Bullion recovery for September is reported to be about 370 ounces, which would give this Rice Lake producer a gross of about $12,500 for the month. August production was about 318 ounces of gold.

* * *

Macassa Mines—Reports September production of $92,648 from 5,807 tons, as against August production $95,268 from 6,108 tons. While September tonnage was lower, average grade was higher at $15.95 a ton in September as against an average recovery per ton of $15.60.

* * *

Pickle Crow Gold Mines—Reports September production up slightly at $109,000 as against $108,671 in August.

* * *

Pioneer Gold Mines—Reports that extension of its shaft to the 26th level has been completed, and work is now proceeding on the sump which will be carried down 80 ft. below the floor of the level. This is all that remains to be done before equipping the shaft for lateral development. It is planned to open up four new levels at once, one of which will be the twenty-sixth. Proving of the main veins on this level will give additional depth of approximately 1,500 ft. below the 14th level, the lowest level developed to date.

* * *

Primrose Exploration Co.—Plans immediate development on the recently acquired property in Clericy twp., Quebec, formerly known as the Harvie holdings. Considerable work has already been done on this property, including the sinking of two shafts to the 100-ft. and 125-ft. levels.

* * *

Rickard Ramore Gold Mines—Reporting on operations at this property, H. Hollands Hurst, superintendent, states that a new vein has been discovered about 1,000 ft. east of the shaft running east-west between the office vein from which highgrade was taken, and No. 5 drill hole which gave values of $56.60 over two ft.

* * *

Stadacona Rouyn Mines—Official announcement has been made that the Montreal interests financing the company have exercised their option to purchase 100,000 shares at 30 cents per share on Oct. 4. This gives the company an additional $30,000 to finance development operations. Tenders have been called for on the proposed 200-ton mill unit.

* * *

Wayside Consolidated Gold Mines—P. E. Ritchie, managing director, reports that the downward extension of the ore found on the upper levels has been picked up on the fifth horizon. Assays from the drift on this level returned 0.32 oz. gold per ton. The winze is being continued 100 ft. below the fifth horizon where another level is to be opened.

$1,281,650 Civic Scheme Approved by Vancouver

Vancouver city council has embarked on an extensive civic improvement programme, the cost of which, to the municipality will be $1,281,650. The plan is to circulate the money throughout the city in payrolls for workmen and payments for business men. Recognizing that it may take a few weeks for the benefits to be felt, the city will abandon its tax sale scheduled for next month.

The projects listed for construction are as follows:

New city hall	$750,000
New bridge (city's share)	150,000
Sewers	175,000
Waterworks	117,000
Roads	66,650
Lanes	23,000

NORTHERN MORTGAGE REPORTS PROGRESS

Auditors Consider That Reserve is Inadequate

Satisfactory progress in 1934 in converting unrealized assets into cash is reported by the Northern Mortgage Co. of Canada, in process of liquidation. Cash and government bonds amounted to $39,000 as at Dec. 31, 1934, almost double the total at the end of 1933. In view of this, directors authorized a distribution of $1 per share to shareholders, in February, 1935, bringing the total refunded to $37 out of the $50 a share called. Five dollars a share is premanent, so there remains $8 a share, or $240,000, yet to be distributed, if and when realized.

Unrealized assets consist chiefly in mortgages and real estate, which are valued at $242,197 and $420,984, respectively. Against these is a reserve of $267,983. This is insufficient in the opinion of the company's auditors. Every effort is being made to convert these assets into cash, but the realization process is slow.

There was a net deficit for the year of $1,520 after all charges, including management costs.

Trust and Loan Co. Make Change in Executive

From Our Own Correspondent

MONTREAL. — The Trust and Loan Co. of Canada has announced the following changes of personnel, effective October 1, 1935:

John Rogers, assistant commissioner and manager of the Winnipeg office, has resigned.

James Quigley, manager of the Regina office, and A. J. B. Milborne, manager of the Montreal office, have been appointed assistant commissioners.

CALL MEETING BONDHOLDERS ON HYDRO DEAL

I. E. Weldon, K.C., Invites All Security Holders to Meet October 16

A general meeting of security holders of Gatineau, MacLaren, Beauharnois, Ottawa Valley and Canadian Hydro-Electric has been called for Wednesday, Oct. 16, at the King Edward Hotel, Toronto. The purpose of this meeting, explains I. E. Weldon, K.C., is to have an executive committee appointed to act for all these security holders in dealing with the companies and with Ontario Hydro-Electric Power Commission and the Ontario government.

In a letter to The Financial Post Mr. Weldon expresses the view that up to the present time "apparently nothing has been done by the companies or the Government to get together and have a discussion of the matters in dispute over the power situation." As further allotments under existing contracts with MacLaren, Beauharnois and Gatineau have been refused, he thinks someone should take a lead. Mr. Weldon states that if these power contracts are repudiated entirely, the losses to be sustained by security holders alone in Ontario will be more than the losses sustained by depositors in all the banks that have failed in Canada since confederation.

World Lead Production

World production of refined lead advanced to 128,470 tons in July from the June total of 120,530. Increases in output were recorded by all principal producing countries except Spain. United States production rose 3.9 per cent. Stocks of refined lead in the hands of United States producers were recorded at 230,915 tons as against 231,077 on June 30.

Company Earnings

Inter. Hydro Electric

Earnings of International Hydro Electric System in the second quarter of 1935 were adversely affected by the electric rate reductions made effective by subsidiaries of New England Power Association a few months ago. Although there was an increase of 4 per cent in kw.h. output, which naturally involved increased operating costs, the association's consolidated gross electric revenues for the period showed a slight decline from the corresponding period of last year. After providing for all charges, including depreciation and provision for dividends not being paid, there was a surplus during the second quarter of $57,926. This compares with $249,041 for the same period last year. Particulars follow:

Quarter Ended June 30

	1935 $	1934 $
Total revenue	15,157,104	15,387,317
Less expenses	7,251,300	7,055,087
Net earnings	7,905,804	8,332,230
Less: Sub. interest	3,216,809	3,309,927
Debent. interest	405,779	434,290
Debt. discount	236,430	227,460
Depreciation	1,209,594	1,216,135
Income tax	493,163	565,903
Sub. dividends	1,737,363	2,105,741
Sub. divds. unpaid	402,960	34,706
Minority interest	145,760	189,027
Balance	57,926	249,041
Previous surplus	9,057,574	10,971,221
Add: Profit bonds red.	53,064	36,140
Less: Amort. share option	31,125	31,125
I. H. E. S. dividends	......	122,838
Carried forward	9,137,439	11,102,439

Mining Stock Quotations

Week Ending October 7

Par. Val.	Range High	1935 Low	Company	Sales	Close Sept. 30 (or last)	High for week	Low for week	Close Oct. 7
1	.74	.38	Afton	24,600	.62	.63	.56	.57
No	.11	.04	Aldermac	4,500	.05	.05½	.04½	.05½
1	.02½	.00½	Alexandria	6,500	.01½	.01	.00½	.00½
No	.57	.40	Algold	1,000	.40	.40	.40	.40
No	.08½	.02½	Algoma	3,000	.03	.03	.03	.03
No	4.50	3.70	Anglo-Huronian	1,179	3.80	3.90	3.70	3.80
No	.04	.01½	Arno	......	.01½	.....	.....	.....
1	1.19	1.05	Arntfield	10,348	1.17	1.18	1.05	1.05
1	.32	.06½	Ashley	11,540	.14	.18	.13	.15
1	.08	.02½	Astoria Rouyn	6,800	.03	.03	.02½	.02½
1	.14	.03	Bagamac	9,800	.04½	.04½	.04	.04
1	.08	.02½	Barry Hollinger	34,400	.06½	.07½	.06	.07
1	.94	.23	Base Metals	64,500	.26½	.38½	.26½	.38
1	1.06	.14	B.E.A.R.	60,900	.69	.71	.61	.67
No	2.16	1.27	Beattie Gold	746	1.40	1.40	1.33	1.35
1	.75	.30	Big Missouri	10,291	.50	.49	.39	.39
1	.38	.18	Bobjo	34,100	.21	.22	.18	.20
No	12.50	4.25	Bralorne	7,185	5.00	5.90	5.00	5.80
1	.61	.20	Brazil Gold	2,800	.43½	.37	.37	.37
1	.03	.01½	Brett Tretheway	2,000	.02	.01½	.01½	.01½
50c	.24	.07	Bridge River Ex.	2,100	.12	.11	.10	.10
1	.03	.01	Brownlee	2,000	.01½	.01½	.01½	.01½
1	3.50	2.40	Buffalo Ankerite	1,100	2.45	2.45	2.40	2.45
No	.03½	.01	Buffalo Can	5,000	.01½	.01½	.01½	.01½
5	38.15	32.50	Bulolo Gold	110	33.00	32.00	31.50	31.50
No	.08	.03	Bunker Hill	200	.07	.06½	.06½	.06½
1	.03½	.01	Can. Kirkland	......	.01½	.....	.....	.....
No	.75	.54	Can. Malartic	12,841	.59	.60	.55	.59
1	1.50	.95	Cariboo Gold	1,200	1.10	1.11	1.05	1.08
1	.05½	.02	Cartier Malartic	......	.02½	.....	.....	.....
1	1.35	.55	Castle Trethewey	11,065	.86	.88	.84	.85
1	.07½	.02½	Cen. Manitoba	5,000	.04½	.05	.04	.04
1	1.95	1.12	Cen. Patricia	94,783	1.85	1.86	1.55	1.71
No	.27	.08	Chibougamau Pros	38,550	.13½	.14	.13	.13½
No	.06½	.03	Church M. & Mill	10,900	.05½	.06½	.05½	.06½
No	.05	.02	Clericy	28,600	.03½	.03½	.02½	.02½
5	3.25	1.50	Coast Copper	420	2.15	3.00	2.10	2.60
1	.08	.01½	Cobalt Contract	1,000	.01½	.02	.02	.02
No	.15	.02½	Columario	......	.02½	.....	.....	.....
5	3.60	2.00	Coniagas	1,950	2.34	2.53	2.32	2.45
No	2.60	1.35	Coniaurum	3,400	1.55	1.65	1.45	1.50
25	184.75	125.50	Cons. Smelters	3,921	170.25	175.00	167.50	174.50
No	44.00	34.51	Dome Mines	3,315	41.25	41.00	39.40	39.75
1	.10	.03½	Dom. Explorers	2,625	.05	.04	.03½	.04
1	.17½	.06½	Duparquet	34,100	.08½	.08½	.08	.08
1	2.93	1.02	Eldorado	22,135	1.35	1.37	1.25	1.30
No	4.49	3.25	Falconbridge	14,535	4.05	4.49	4.05	4.34
1	.04½	.02	Federal	......	.02½	.....	.....	.....
No	.16½	.05	Francoeur Gold	1,300	.07	.07½	.07	.07
1	.40	.05	Franklin Gold	7,600	.05	.05½	.03	.40½
1	.45	.09	Gabrielle	2,600	.19	.20	.16½	.20
No	.03½	.01	Gilbec	3,600	.01½	.01½	.01	.01½
No	2.24	1.24	God's Lake	50,337	1.54	1.54	1.35	1.51
1	.20	.11	Goldale	9,500	.11½	.12	.11½	.11½
50c	.46	.25	Gold Belt	500	.21	.21	.21	.21
10	.19	.10	Goldfield	400	.13	.12½	.10	.10
1	.15	.04	Goodfish	450	.08	.09	.08	.08
1	.07	.02	Graham Bosquet	2,000	.02½	.02½	.02½	.02½
1	.40	.17	Granada Gold	38,335	.30	.30	.18	.19
No	.12	.05½	Grandora	1,000	.06	.06½	.06½	.06½
1	.45	.17	Greene Stabell	1,900	.18½	.18½	.18	.18
1	.05	.02½	Grozelle	......	.02½	.....	.....	.....
1	.10	.04½	Grull Wihksne	......	.04½	.....	.....	.....
1	.97	.48	Gunnar Gold	11,450	.60	.61	.55	.56
1	.08½	.02	Halcrow Swayze	1,300	.02½	.02½	.02	.02
..	.49	.37	Hard Rock	20,800	.....	.49	.37	.46
1	.10	.04	Harker	8,500	.04½	.04½	.04½	.04½
5	20.25	12.55	Hollinger	17,130	12.70	12.70	11.60	12.10
1	1.10	.45	Howey Gold	13,510	.65	.65	.45	.46
No	19.00	11.50	Hudson Bay	4,148	18.50	20.00	17.60	19.40
1	15.35	11.95	Inter. Mining	......	12.50	.....	.....	.....
1	6.50	5.00	Do., Pur. Warr.	......	5.00	.....	.....	.....
No	31.85	22.25	Int. Nickel	36,520	30.40	31.85	29.50	31.75
100	130.75	125.00	Do. pref	......	125.00	.....	.....	.....
1	.20	.09½	J.M. Cons. Gold	21,050	.12	.12½	.10	.10½
..	.75	.45	Kerr Lake	330	.50	.52	.45	.52
1	.31	.20	Kirk. Hud. Bay	600	.25	.26	.25	.26
1	.01½	.00½	Kirk. Hunton	......	.00½	.....	.....	.....
1	.62	.33½	Kirkland Lake	43,425	.41	.41½	.38	.38
1	.33½	.12½	Kirk. Townsite	......	.15	.....	.....	.....
No	.07	.02½	Lake Maron	6,000	.02½	.02½	.02½	.02½
1	58.00	47.00	Lake Shore	2,250	49.75	49.75	47.00	47.15
1	.08	.02	Lamaque Contact	7,500	.02½	.03	.02	.02
1	.14½	.12	Lebel Oro New	24,711	.13	.14½	.12½	.14
1	.08	.02½	Lee Gold	5,000	.03	.03	.03	.03
No	7.25	4.25	Little Long Lac	7,525	5.50	5.40	4.85	5.10
1	2.75	1.31	Macassa	53,890	2.48	2.51	2.20	2.49
1	.03	.00½	Malrobic	8,500	.00½	.01	.00½	.01
No	.10	.05½	Mandy	4,100	.09	.10	.08	.10
No	.12½	.03	Man. & Eastern	10,300	.05½	.05	.04½	.04½
1	.14	.02½	Maple Leaf	12,700	.02½	.03	.02½	.02½
5	46.00	36.25	McIntyre	1,060	37.60	38.00	36.75	38.00
1	1.45	.96	McKenzie R.L.	62,815	1.00	1.04	.96	1.00
1	.70	.40	McKinley	425	.40	.40	.40	.40
1	.46½	.07½	McMillan	18,600	.09	.10½	.09	.10
No	2.15	.45	McWatters	41,600	1.50	1.50	1.31	1.42
1	.40	.10	McVittie	3,350	.14½	.14	.12½	.13
No	1.50	.85	Mining Corp.	6,650	1.13	1.30	1.10	1.30
No	.21	.07½	Minto Mines	......	.08	.....	.....	.....
1	.04	.01	Moffatt Hall	6,000	.01½	.01½	.01½	.01½
1	.16	.07½	Moneta	2,000	.08	.07½	.07	.07
1	.79	.49	Morris Kirk	21,950	.72	.72	.60	.62
1	.01½	.00½	Murphy	......	.00½	.....	.....	.....
No	.04	.01½	Newbec	11,900	.02	.03	.02	.03
1	.04½	.00½	Night-Hawk Penn.	......	.01	.....	.....	.....
5	2.95	2.06	Nipissing	1,475	2.15	2.17	2.06	2.10
No	43.00	31.00	Noranda	23,116	39.50	40.84	38.25	40.75
No	.31	.16	Nor. Canada	1,000	.22½	.17	.17	.17
1	.75	.30	O'Brien	2,400	.55	.55	.45	.45
1	.10	.03	Osisko	9,700	.05	.05	.03	.05
1	.32	.18	Parkhill	8,738	.20	.20	.18½	.20
1	.04½	.01	Pawnee Kirk	2,000	.02½	.02½	.02½	.02½
1	.30½	.16	Paymaster	29,100	.23	.24	.22	.24
1	.84	.40	Pend Oreille	17,110	.70	.76	.62	.75
1	.83	.55	Perron Gold	22,210	.60	.62	.58	.60
1	.09½	.01½	Peterson Cobalt	11,000	.02½	.02½	.02½	.02½
1	3.07	2.10	Pickle Crow	76,486	3.00	2.80	2.55	2.78
1	12.25	9.00	Pioneer Gold B.C.	1,625	9.35	9.40	9.00	9.10
1	.06	.03	Porcupine Crown	5,500	.03½	.04	.04	.04
1	.01½	.00½	Potter Doal	......	.01	.....	.....	.....
1	2.05	1.35	Premier Gold	7,600	1.60	1.62	1.52	1.57
1	.03	.01	Preston E. Dome	16,000	.03	.03	.02½	.02½
No	3.05	1.25	Prospectors Air's	5,400	2.21	2.60	2.06	2.60
1	.80	.09½	Quebec Gold	4,300	.44	.45	.44	.44
No	.15	.02½	Quemont	......	.05	.....	.....	.....
1	.98	.55	Read Authier	5,500	.76	.81	.75	.80
No	.41	.25	Red Lake	92,100	.28	.29	.25	.28
1	1.67	.73	Reno Gold	24,800	.81½	.82	.73	.76
1	.00½	.00½	Ribago	......	.00½	.....	.....	.....
1	.02½	.00½	Ritchie	1,500	.01½	.01½	.01½	.01½
1	.09½	.02	Robb Montbray	100,770	.06	.07½	.06	.06
1	.10½	.04	Roche Long Lac	10,700	.04½	.04½	.04	.04½
1	5.30	2.00	San Antonio	35,140	2.72	2.80	2.00	2.66
50c	1.25	.54	Sheep Creek	500	.74½	.70	.70	.70
1	1.00	.45	Sherritt Gordon	84,983	.76	.93	.75	.90
1	3.29	2.40	Siscoe	38,829	2.64	2.62	2.40	2.50
1	4.60	3.30	South Amer. Gold	200	3.80	4.25	4.00	4.25
No	.15	.02½	South Tiblemont	88,600	.03	.03½	.02½	.02½
No	.32	.13½	Stadacona	79,780	.21½	.21½	.19	.20½
1	.39	.14½	St. Anthony	4,200	.21	.19	.17	.19
No	1.74	1.25	Sudbury Basin	10,250	1.60	1.65	1.55	1.65
1	.11	.03	Sudbury Contact	1,000	.05	.04	.04	.04
1	.07½	.03	Sudbury Mines	2,300	.05½	.05½	.05	.05
1	.89	.35	Sullivan Cons.	26,464	.64	.65	.59	.60
1	2.70	2.00	Sylvanite	12,795	2.29	2.25	2.10	2.13
1	.67	.25	Tashota Gold	15,100	.37½	.38	.31	.34
1	4.70	3.67	Teck Hughes	14,275	3.98	4.00	3.82	3.95
1	.02½	.00½	Timiskaming	......	.01½	.....	.....	.....
1	1.45	1.00	Toburn Gold	560	1.05	1.07	1.00	1.07
1	.30½	.10	Towagmac	2,600	.12	.13	.12	.12½
1	.30	.10	Treadwell	48	.25	.10	.10	.10
No	.01½	.00½	Vacuum Gas	1,000	.00½	.00½	.00½	.00½
No	.32	.02	Vanson Man	......	.02	.....	.....	.....
No	1.07	.80	Ventures	26,230	.99	1.02	.94	1.00
No	.90	.45	Waite Amulet	7,845	.70	.77	.65	.77
50c	.24½	.07	Wayside	43,100	.14½	.16	.13½	.15½
No	.10½	.01½	White Eagle	13,000	.02	.02½	.01½	.01½
1	.07	.03	Wiltsey Coughlan	200	.04	.04	.04	.04
1	.07½	.03½	Wood Kirkland	2,000	.05½	.05	.05	.05
No	9.90	7.15	Wright-Hargreaves	9,405	7.60	7.75	7.15	7.70
No	.85	.26	Yankee Girl	......	.30	.....	.....	.....
			OIL STOCKS					
No	.26	.17	Acme Gas & Oil	7,100	.17½	.17½	.17½	.17½
1	1.06	.40	Ajax	920	.40	.41	.40	.41
No	.85	.49	Calgary & Ed	3,200	.50	.60	.58	.58
1	.09½	.04	Calmont	4,500	.04½	.04½	.04½	.04½
No	.05½	.03	Common Pete	......	.03	.....	.....	.....
No	.38	.18	Dalhousie	2,725	.21	.21	.20	.20
No	.12	.05	East Crest	1,000	.06	.05½	.05½	.05½
No	.21	.04	Erie Gas	......	.13½	.....	.....	.....
No	.35	.08	Foothills	......	.15	.....	.....	.....
No	.15	.10½	High Sarcee	1,500	.....	.13	.10½	.13
No	.80	.42	Home	1,050	.42	.45	.45	.45
1	.14	.05	Homestead O. & G.	......	.05	.....	.....	.....
No	.13½	.07	Lowery	......	.09	.....	.....	.....
No	.27	.14	Merland	800	.14	.14	.14	.14
1	.28	.18	Model	2,600	.26	.27	.25	.25
5	.17	.03	Nordon	16,100	.12	.16	.11	.14
No	.07	.03½	Oil Selections	10,000	.04½	.04½	.04	.04½
No	.06½	.02½	Olga Gas & Oil	7,500	.02½	.03	.02½	.02½
1	.65	.40	Petrol Oil & Gas	400	.60	.65	.60	.60
No	27.00	18.00	Royalite	815	18.75	19.25	18.85	19.00
No	.12	.04	South West Pete	......	.04	.....	.....	.....
No	.95	.55	Texas Can	1,400	.82	.85	.85	.85

VANCOUVER STOCK EXCHANGE

(Transactions for Week to October 4)

Par. Val.	Range High	1935 Low	Company	Sales	Close Sept. 28 (or last)	High for week	Low for week	Close Oct. 4
1	.02½	.01½	Alexandria	......	.00½	.....	.....	.....
25c	.01½	.00½	Bayview	......	.00½	.....	.....	.....
20c	.10½	.03½	Beaver Silver	2,200	.04	.03½	.03½	.03½
25c	...02½	.01	Bluebird	......	.01½	.....	.....	.....
No	12.25	4.35	Bralorne	4,033	4.85	5.30	.485	5.05
1	.08½	.03	Bridge River Cons	7,500	.03½	.04	.03½	.04
50c	.24	.07½	Bridge River Exp	9,200	.12	.12	.10	.10
1	.55	.14	B.C. Nickel	18,900	.17	.20	.16½	.18
1	1.68	.90	B.C. Silver	300	1.25	1.30	1.30	1.30
10	43.00	43.00	Bunker H. Sullivan	......	43.00	.....	.....	.....
50c	.10	.03	Canadian Rand	......	.03	.....	.....	.....
1	1.50	.95	Cariboo Gold	6,485	1.05	1.14	1.05	1.08
No	16.00	12.50	Coast Breweries	785	15.50	15.75	14.00	14.50
1	.54	.17	Congress Gold	7,100	.20	.23	.19	.19
1	.09	.03	Cotton Belt	......	.09	.....	.....	.....
25	.00½	.00½	Cork Province	......	.00½	.....	.....	.....
1	.01½	.01½	Dalhousie Mines	......	.00½	.....	.....	.....
No	.95	.15½	Dentonia	24,100	.18½	.22	.17	.17
No	.06½	.01	Dictator	6,000	.01	.01	.01	.01
1	.17	.03	Dunwell T.	......	.03	.....	.....	.....
No	.16½	.01	Fairview Amal	11,800	.09	.10	.08	.09
50c	.44	.25	Fawn Mining	......	.25	.....	.....	.....
1	.13	.05	Federal Gold	6,500	.06	.07½	.07½	.07½
1	.20	.12	George Copper	......	.20	.....	.....	.....
50c	.07	.03	George Enterprise	1,000	.07	.06½	.06½	.06½
1	.01	.00½	Georgia River	......	.00½	.....	.....	.....
50c	.06½	.01	Glacier Creek	......	.01	.....	.....	.....
1	.42	.15	Golconda	4,200	.16½	.16½	.15	.16½
50c	.45½	.20	Gold Belt	400	.20	.23	.21	.21
50c	.19	.07	Gold Mountain	......	.09	.....	.....	.....
50c	.04½	.01½	Grandview	300	.02½	.12	.12	.12
No	.24	.01½	Grange Mines	5,000	.02½	.02½	.02	.02
1	.10	.04½	Grull Wihksne	1,000	.06	.06	.05½	.05½
No	.03	.03	Haida Gold	......	.03	.....	.....	.....
25c	11.50	6.40	Hecla	......	9.85	.....	.....	.....
50c	.26	.18	Hedley Amal	1,000	.19	.18	.18	.18
No	.12	.04	Hedley Sterling	......	.06	.....	.....	.....
1	.02	.01	Hercules Cons	......	.01	.....	.....	.....
No	.12½	.03	Home Gold	2,500	.03½	.03½	.03	.03
1	.01½	.00½	Independence	......	.00½	.....	.....	.....
1	.01	.01	Indian Mines	......	.01	.....	.....	.....
1	.20	.17	Inter'tl Coal	500	.20	.20	.20	.20
50c	1.00	.68	Island Mountain	22,450	.93	.96	.90	.92
50c	.72	.30	Kootenay Belle	1,000	.30	.32	.32	.32
25c	.01½	.00½	Koot. Florence	......	.00½	.....	.....	.....
1	.01½	.00½	Lakeview	......	.00½	.....	.....	.....
10c	.04½	.01	Lucky Jim	......	.01½	.....	.....	.....
No	.41	.07	Mak Siccar	10,100	.10	.15	.11	.11
50c	.00½	.00½	Marmot Metals	......	.00½	.....	.....	.....
1	.21	.16	McGillivray Creek	......	.20	.....	.....	.....
50c	.17½	.15	Meridian New	1,600	.15	.19	.18	.18
10c	.19	.03½	Meridian Min	......	.03½	.....	.....	.....
No	.24½	.05½	Minto Mines	13,500	.06½	.06½	.05½	.06
50c	.12½	.03½	Morning Star	27,500	.04	.04½	.04	.04
1	.02	.00½	Morton Woolsey	9,000	.00½	.00½	.00½	.00½
50c	.06½	.02½	National Silver	3,000	.02½	.02½	.02½	.02½
50c	.17	.05	Nicola	10,700	.10	.10	.09½	.09½
50c	.16	.05	Noble Five	116,800	.05½	.06	.05½	.05½
No	.09½	.01½	Pilot Gold	6,000	.02	.01½	.01½	.01½
1	12.50	9.10	Pioneer Gold	480	9.60	9.50	9.25	9.50
50c	.15	.05	Porter Idaho	5,500	.05	.05½	.05½	.05½
No	.01	.00½	Premier Border	......	.00½	.....	.....	.....
1	.02½	.01½	Quatsino Copper	......	.02½	.....	.....	.....
No	.17	.05	Quesnel Quartz	......	.06	.....	.....	.....
No	.18	.01	Reeves McDonald	......	.10	.....	.....	.....
1	.39	.25	Relief Arlington	1,300	.32	.33	.32	.32
1	1.62	.80	Reno Gold	22,900	.84	.83	.72	.75
1	.04½	.02	Reward Mining	......	.02	.....	.....	.....
1	.01½	.00½	Rufus Argenta	3,000	.00½	.00½	.00½	.00½
1	.05½	.00½	Ruth Hope	......	.00½	.....	.....	.....
1	.62	.18	Sally Mines	......	.19	.....	.....	.....
50c	.18	.07	Salmon Gold	4,700	.08	.08	.07	.07
50c	1.18	.55	Sheep Creek	18,200	.73	.73	.65	.65
1	.05	.02	Silverado	......	.03	.....	.....	.....
25c	.02½	.00½	Silvercrest	......	.00½	.....	.....	.....
20c	.12	.01	Silversmith	12,000	.01½	.01½	.01½	.01½
50c	.01½	.00½	Snowflake	......	.00½	.....	.....	.....
1	.76	.48	Standard Silver	500	.50	.48	.48	.48
10	23.75	11.45	Sunshine	......	20.00	.....	.....	.....
No	.32	.15	Taylor Bridge	5,350	.16	.20	.15	.17
1	.20½	.10	Taylor Windfall	......	.10	.....	.....	.....
5	.35	.20	Toric	......	.20	.....	.....	.....
50c	.10	.03	United Empire	......	.03½	.....	.....	.....
No	.61	.13	Vidette Gold	7,100	.30	.30	.26½	.28
No	.06	.00½	Viking Gold	......	.00½	.....	.....	.....
No	.07½	.02	Waterloo Gold	......	.02	.....	.....	.....
25c	.01½	.00½	Waverley Tangier	5,000	.00½	.00½	.00½	.00½
50c	.21	.07½	Wayside	17,100	.14½	.15	.13½	.15
20c	.04	.01	Wellington	......	.01½	.....	.....	.....
No	.09½	.02	White Eagle	......	.02	.....	.....	.....
1	.14	.04	Whitewater	1,500	.05½	.05½	.05	.05
No	.83	.23	Ymir Yankee Girl	11,000	.29	.30	.26	.28
			OIL STOCKS					
1	.22	.05	Amalgamated	15,000	.05	.06	.05½	.05½
1	.10½	.05	Alta. Pacific	1,700	.05½	.05½	.05½	.05½
1	.04	.01	Anaconda	......	.01½	.....	.....	.....
No	.05	.01½	Baltac	......	.00½	.....	.....	.....
1	.07½	.03	Brit. Dominion	......	.03	.....	.....	.....
1	.25	.05	Crow's Nest	6,300	.06½	.06	.05	.05
No	.03½	.01	Devenish	......	.01½	.....	.....	.....
No	.11	.04	Freehold	......	.05	.....	.....	.....
No	.04½	.02	Hargal	......	.02	.....	.....	.....
No	.15	.08½	High Sarcee	4,500	.12	.12	.11½	.12
No	.01½	.00½	Madison	......	.00½	.....	.....	.....
No	.17	.07	Marjon Oil	7,900	.11½	.11½	.10	.10
No	.05	.02	McD. Segur Ex.	......	.02½	.....	.....	...
1	.48	.35	McLeod	600	.38	.33	.32	.32
No	.14½	.09	Mercury	1,700	.11	.11	.10	.10
No	.14	.07	Mill City Pete	......	.08	.....	.....	.....
No	.06½	.03½	Okalta	......	.04	.....	.....	.....
No	.10½	.02	Pacalta Oil	4,000	.02	.02	.02	.02
1	1.17	.27	Ranchmen's	1,000	.28	.26	.24½	.24½
No	.01	.01	Richfield	......	.01	.....	.....	.....
1	.28	.15	Spooner	......	.19	.....	.....	.....
No	.10	.03½	United	......	.03½	.....	.....	.....
No	.14	.04	Vanalta	......	.04	.....	.....	.....
1	.05	.04	Wellington Oil	......	.05	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Acme Gas	2c.	.....	McIntyre	$2	5.26
Anglo Huronian†	40c.	.....	McKinley Sec.	2½c.	.....
Buff. Ankerite	20c.	8.16	Model Oils	3c.	.....
Bulolo Gold‡	1.20	.....	Nipissing	12½c.	.....
Calgary & Ed.	5c.	.....	Noranda	$1	.....
Coast Brew.	92c.	6.34	Nor. Canada†	2c.	.....
Coniagas‡	12½c.	.....	Petrol Oil‡	3c.	.....
Cons. Smelters	$1.25	.....	Premier	12c.	7.64
Dome Mines	$2	5.03	Pioneer, B.C.	80c.	8.79
Falconbridge	7½c.	.....	Reno	12+12c.	18.42
Hollinger	65c.+5c.	5.62	Royalite	75c.	.....
Howe Sound	$3	.....	San Antonio	7c.	.....
Howey Gold	3c.	.....	Siscoe	20c.	8.00
Hudson Bay†	50c.	.....	So. Amer. Gold	10c.	.....
Int. Coal & Coke	1c.	.....	Sunshine	30c.	.....
Inter. Mining	15c.	.....	Sylvanite	20c.	9.38
Int. Nickel c.	80c.	.....	Teck Hughes	40c.	10.12
Kirk. Lake†	3c.	.....	Toburn	8c.	7.47
Lake Shore	2+50c.	5.30	Wright-Har	40+5c.	5.84
Macassa	5c.	.....			

†Interim. ‡Initial.

Payments for Investors $60.7 Millions This Month

Increase of $4 Millions in Dividend and Interest Payments Over 1934 Month Largely Due to Changed Dates of Government Loans

October payments of dividends and interest will amount to about $60.7 millions compared with $56.7 millions in October, 1934, according to compilations made by The Financial Post. This is one of the major payment months of the year.

The increase of $4 millions is accounted for chiefly by a change in payment dates for Dominion government loans. Sale last year of refunding bonds paying interest Oct. 15 increases this month's interest payments by about $3,750,000. Since the new securities replace bonds which formerly paid interest Nov. 1, there will be a reduction in November interest payments. Hence a large part of the increase in payments is insignificant.

Changes in October

There are three important reductions in October dividend payments. Toronto General Trusts Corp. placed its common stock on a four per cent basis by reducing the Oct. 15 payment to $1 a share from the former quarterly rate of $1.50 a share. Dividends ordinarily due in October were passed entirely on the common shares of Canada Dry Ginger Ale and on the second preferred stock of Canadian Canners.

Among the increases, Pressed Metals resumed cash payments on Oct. 1 after having issued one stock dividend last April. Maple Leaf Gardens will make an initial payment of 35 cents a share on its preferred stock on Oct. 15. Jamaica Public Service Ltd. jumped the quarterly payment on its common shares to 37½ cents from 25 cents.

Summary of October payments follows:

Summary of Payments

	1935 $	1934 $
Dividends	14,360,178	13,849,280
Bond interest	46,309,270	42,833,025
Total	60,669,448	56,682,305

DIVIDEND PAYMENTS

Company:	Rate	Date	Amount $
Agnew-Surpas, pref.	1¾q	1	17,036
Alberta Wood Pres., pfd.	1¾q	1	5,230
Amer. Cyanamid, A	10c	..	6,594
Do., B	10c	..	245,443
Assoc. Breweries, pfd.	1¾q	1	17,770
Atlantic Sugar, pref. A	1¾q	1	19,444
Bank of N. Scotia	3q	1	360,000
Bell Telephone	$1.50q	15	1,161,225
Brantford Cordage, pfd.	50cq	15	28,890
Brazilian Trac., pfd.	$1.50q	1	5,901
Brewing Corp., pfd.	37½c	15	60,888
Brit. Amer. Assur.	75cq	1	22,500
Brit. Amer. Oil	20cq	1	524,528
B. C. Power, A	38cq	15	380,000
B. C. Elec. Pr., pfd.	1¼q	1	75,000
B. C. Telephone 1st pf.	1½q	1	15,000
Brockville Trust	62½q	1	6,250
Bruck S. Mills	30c	15	37,500
Building Prod., A & B	25cq	1	30,212
Burt, F. N.	50cq	1	53,822
Do., pref.	$1.75q	1	1,031
Calgary Power, c.	$1.50q	1	52,500
Canada Bread 1st pf.	$1.00	1	12,500
Canada Life	$5q	1	50,000
Can. Nor. Power	30cq	25	120,000
Do., pref.	1¾q	15	96,250
Canada Packers, c.	75cq	1	150,000
Do., pfd.	$1.75q	1	105,586
Can. Perm. Mtge.	$2q	1	140,000
Can. Canners, 1st pfd.	$1.50q	1	58,272
Can'dn Cottons	$1q	1	27,155
Do., pref.	$1.50q	1	54,922
Can'dn Fairbanks, pfd.	1¾q	15	18,090
Can'dn For. Invest.	40cq	1	29,366
Do., pref.	$2q	1	27,000
Can'dn Gen. Elec.	75cq	1	141,634
Do., pref.	87½cq	1	149,760
Can'dn Gen. Invest.	10cq	15	60,059
Candn Indust., A & B	$1q	31	674,243
Do., pref.	$1.75q	15	81,375
Canadian Oil, pref.	$2q	1	40,000
Can'dn Pub. Ser., pfd.	$1.25q	1	14,439
Can'dn Westinghouse	50cq	1	273,000
Can'dn Wire Box, A	*25c	1	16,983
Central Can. Loan	$2q	1	50,000
Community Trusts	62½cq	15	14,831
Consol. Bakeries	20c	1	63,688
Consumers' Gas	2½q	1	351,380
Crown Trust	$1.75q	1	17,500
Dome Mines	50cq	21	476,667
Dominion Bank	$2.50q	1	175,000
Dominion Coal, pfd.	75c	15	22,500
Dominion Glass	$1.25q	1	53,125
Do., pref.	$1.75q	1	45,500
Dominion Textile	$1.25q	1	337,500
Do., pref.	$1.75q	15	33,960
East. Can. Savings	$1.50q	1	11,250
East. Steel Prod., pfd.	$1.75q	1	6,874
Eastern Trust	$2q	1	20,000
Economic Inv. Tr.	25c	1	9,981
Edmonton C. Dairy, pfd.	1¾q	1	12,855
Fanny Farmer	12½cq	1	48,814
Freiman, A. J., pfd.	1½q	1	13,920
General Trust, pfd.	1½q	1	16,500
Goodyear Tire, c. (new)	▲62c	1	159,501
Do., pref. (new)	▲62½c	1	75,000
Gordon & Belyea, 1 p.	$1.50q	1	3,447
Gt. Lakes Power, pfd.	$1.75	15	13,125
Do., arrears	$1.25	15	9,375
Great-West Life	$5	1	50,000
Greening Wire, pfd.	1¾q	1	11,375
Hamilton Cotton, pfd.	50c	1	85,554
Highland Dairy, pfd.	$1.75	1	2,695
Hinde & Dauch Paper	12½c	1	37,492
Hollinger Gold	5c	7	246,000
Do., extra	5c	7	246,000
Huron & Erie Mtge. (188)	1½q	1	75,000
Imperial Life	$3.75q	1	37,500
Invest. Foundation, pfd.	37cq	15	12,201
Do., arrears	13c	15	4,287
Jam. Pub. Ser. Ltd., c.	37½cq	1	16,875
Jam. Pub Ser. Co., pfd.	$1.75	1	13,125
Do., pref. B	1½q	1	5,505
Landed Bkg. & Loan	$1.25q	1	12,500
McColl-Front., pfd.	$1.50	15	114,529
McLennan, McFeeley, pfd.	$1.62½q	1	19,500
Maple Leaf Gdns., pfd.	*35c	15	28,000
Maritime Tel. & Tel., c.	15cq	1	53,936
Do., pref.	17½cq	1	28,250
Mitchell, J. S., pfd.	$1.75	1	5,318
Monarch Knit., pref.	$1.75q	1	13,125
Montreal C. & D. Bk.	$3q	1	60,000
Montreal L. H. & Pr.	37cq	31	1,880,930
Montreal Telegraph	80cq	15	40,000
Montreal Tramways	$2.25q	15	137,500
Moore Corp., pf. A & B	$1.75q	1	86,898
Nat. Breweries	40cq	1	238,548
Do., pref.	44cq	1	48,840
Nat. Grocers, pref.	1¾q	1	51,681
National Life	62½cq	1	6,250
National Trust	$2q	1	60,000
Niagara W. Weav., pfd.	75cq	1	15,543
N. S. Light & Pr., ord.	75cq	1	35,892
Ogilvie Flour, c.	$2q	1	150,000
Ont. Loan & Deb.	$1.50q	1	60,000
Ottawa L. H. & Pr.	1½q	1	52,500
Do., pref.	1¾q	1	24,375
Ottawa Traction	50c	1	28,038
Page-Hersey Tubes	75cq	1	130,707
Perfection Pete., pfd.	37½cq	1	3,483
Pioneer Gold	20cq	1	350,350
Porto Rico Pwr., pfd.	$1.75q	1	17,500
Power Corp., pfd.	$1.50q	15	75,000
Do., 2nd pref.	75cq	15	75,000
Premier Gold	3cq	15	150,000
Do., extra	1c	15	50,000
Pressed Metals	12½cq	1	13,972
Provincial Paper, pfd.	$1.75q	1	61,250
Reno Gold Mines	3c	1	54,789
Riverside Silk A	25cq	1	7,500
Do., on arrears	25c	1	7,500
Royal Trust Co.	80cq	31	80,000
Sherwin-Williams, pfd.	$1.75	1	60,550
South. Can. Pr., pfd.	$1.50q	15	108,233
Standard Fuel, pfd.	1¾q	1	22,417
Tamblyn, pref.	$1.75q	1	8,346
Teck-Hughes Gold M.	10cq	1	480,714
Tip Top Tailors, pfd.	$1.75q	1	23,346
Toronto Elevators, pfd.	$1.75q	15	26,250
Toronto Gen. Trusts	$1.00q	1	32,000
Toronto Mortgage	$1.50q	1	29,595
Tuckett Tobacco, pfd.	1¾q	15	35,000
United Bond & Share	20c	15	5,271
United Gold Equities	2½cq	15	2,847
United Securities	50cq	15	25,630
Western Assur., c.	60cs	1	33,000
West Koot. Pwr., pfd.	$1.75q	1	8,750
Western Grocers, c.	50c	15	8,472
Do., pref.	1¾q	15	20,900
Weston, Geo., c. (new)	▲15cq	1	56,378
Whittall Can, pref.	**$1.62½	1	30,875
Wright-Hargreaves	10cq	1	550,000
Do., extra	5c	1	275,000
			14,360,178

q—Quarterly.
s—Semi-annually.
†—For quarter ended Nov. 30, 1933.
‡—Last payment 43¾c April 1, 1935.
*—Initial payment.
▲—Initial payment on new stock.
■—Bi-monthly.
**—For quarter ended Dec. 31, 1933.

BOND INTEREST DUE IN OCTOBER

Company:	Rate	Int. Date	Due	Amount $
Amer. Salesbook	6	1	1939	‡
Bay-Cumber. Prop.	†6½	1	1944	7,150
Balfour Bldg.	§4	1	1943	15,056
Bolivian Pr., A	8	1	1945	50,280
Brand.-Henderson	6	1	1936	4,281
Calgary Power	5	1	1960	250,000
Can. Cons. Felt	6	1	1940	5,370
Can. Int. Inv. Tr.	5	1	1959	44,712
Can. Nat. gtd. gold	5	1	1969	1,500,000
Can. Nor. Pac. 1st mtge.	4	2	1950	328,240
Can. Nor. Pac. 1st mtge. Term.	4½	2	1950	193,815
Can. Cons. Rubber	6	1	1946	73,320
Cumberland Rly.	5	1	1940	57,300
Dominion Square*	6	1	1948	140,700
Dom. Canners	6	1	1940	26,775
Dom. Tug & Barge	7	1	1947	7,875
East Koot. Pr. A & B	7	1	1942	72,695
Famous Players	6	1	1948	149,965
Do., debs.	6½	1	1948	90,642
Gatineau Pwr., B	6	1	1941	225,000
Goulds Mfg., A	6	1	1942	11,130
Gt. Brit. & Can. Inv.	4½	1	1959	98,775
Hamilton Cotton, A	5½	1	1948	22,360
Inter. Hydro-Elec.	6	1	1944	835,440
Legare, P. T.	▲6	1	1977	21,000
McColl-Front., A	6	1	1949	287,135
Massey-Harris	5	15	1947	217,500
Midland Pac. Term.	6½	1	1943	13,130
Mont. L. H. & Pr.	5	1	1951	696,387
Mont. Tram., A B D	5	1	1955	607,150
Do., C	4½	1	1955	50,122
Nat. Bis. & Conf.	6½	1	1950	5,200
Nor. Ont. Bldg.	6½	1	1939	21,151
Ogvily Realty	5½	1	1951	34,375
Ott. L. H. & Pr.	5	1	1967	119,437
Ott. Valley Pr.	5½	1	1970	247,500
Rio de Janiero	5	1	1958	452,107
Shawinigan, A	4½	1	1967	771,435
Do., D	4½	1	1970	426,105
S. Can. Pr., A	5	1	1955	150,000
Spruce Falls Pr.	5½	1	Serial	275,000
Tooke Bros.	7	1	1942	7,340
Victoriaville Furn.	6½	1	1936	2,291
Westminster Paper	6½	1	1950	8,758
Woods Mfg.	6	1	1943	18,015
York St. Bldgs	6	1	1943	6,231
Corporation				8,659,270
Municipal bonds				*7,250,000
Provincial bonds				*7,300,000
Dominion bonds				*23,100,000
Total				46,309,270

*Estimated.
*Payment due Oct. 1, 1933.
†Payment due April 1, 1934.
‡Called for redemption Oct. 1, 1935.
§Reduced from 6 to 4 per cent from April 1, 1935 to Oct. 1, 1937.
▲Company in bankruptcy, no payment made since Jan. 1, 1932.

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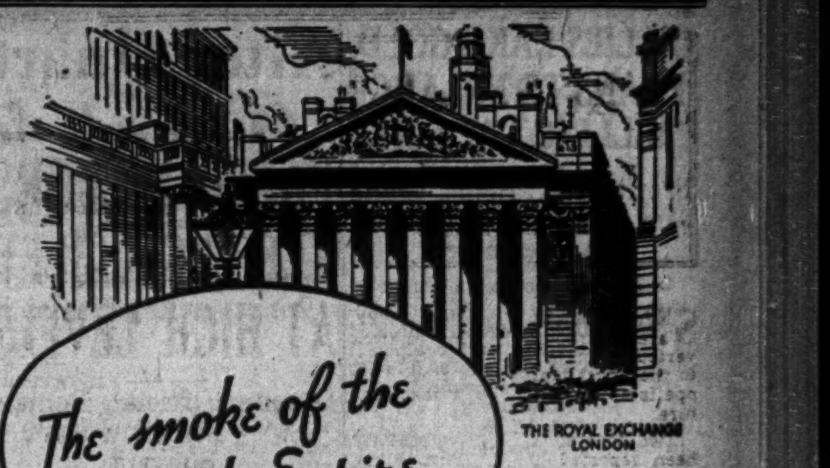

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GILLIES LAKE GOLD PLANS TO ENLARGE MILLING CAPACITY

Profit Now Being Made on Operations—$7,000 in September

With operations on a profitable basis directors of Gillies Lake-Porcupine Gold Mines have decided to install cyanide mill equipment and to step up mill capacity to 100 tons daily, it is announced in a letter to shareholders over the signature of B. N. Hyman, general manager. The new equipment, it is expected, will be in operation about the middle of November.

In addition to cyanide equipment a large crusher will be installed. Burnham and Shoemaker, consulting engineers, have already made a study of the company's requirements and it is on their advice that the addition to the milling plant is being made. This firm will also supervise the installation and initial operation of the whole plant above ground for a period of 90 days. The new equipment, alterations and services will cost about $13,000, which amount will be paid out of monthly profits.

Production is now on a profitable basis, according to Mr. Hyman. In September the company's recovery totalled $13,000. This yielded a profit of $7,000. It is anticipated that this month's output will not be less than $16,000 with a profit of approximately $9,000

Underground work is proceeding satisfactorily. Good progress has been made in sinking the winze on the 500-ft. level. No. 10 vein on this level has widened out to the extraordinary width of 35 ft.

In regard to dividends Mr. Hyman states as follows: "While it may appear a little early to be talking about dividends, this matter will certainly be receiving serious consideration by your directors before the end of this year."

Dividend action, however, would necessitate a marked improvement in operations. Production has only recently been put on a substantial tonnage basis. Up to June 30 last, output in the current year totalled $9,816 from 1,598 tons of ore milled. Profits to date have been small. Prior to giving consideration to a disbursement to shareholders it would be necessary for the company to build up a strong working capital position.

BUSH CONS. MAY SELL CONTROL OF PROPERTY

Shareholders to Meet Oct. 12 to Consider Option Agreement

Shareholders of Bush Consolidated Gold Mines and Bush Cobalt Mines have received notice of a special general meeting to be held Oct. 22 in Vancouver to consider an agreement entered into by directors of the companies for the sale of a 55 per cent interest in the Bush Consolidated property, lying between the Premier Gold Mines and Big Missouri properties in the Portland Canal district of British Columbia, to John G. Campbell of Vancouver.

Under the terms of the agreement Mr. Campbell is to carry on actual development work until the property is in production and spend at least $75,000 on the property within the next three years. If it is necessary to spend moneys in excess of $75,000 either during or after the three-year period, this excess is to be a first charge against the property repayable with interest at six per cent per annum out of production. At any time after an expenditure of $75,000 has been made Mr. Campbell may cause to be incorporated a new company to take over the property.

The agreement also provides that upon completion of the option Mr. Campbell may acquire and the optioners agree to sell to him a further 15 per cent interest in the property for the sum of $112,500.

Interest in the Bush Consolidated property, which has been inactive for a number of years, has been revived by the rise in the price of silver and the enhanced value of gold. In 1934 an agreement was entered into with Bush Cobalt Mines by which that company was to acquire a 60 per cent interest in the property.

After Quarter Century Outlook for Hollinger Seems Bright as Ever

Enough Dollar Bills Paid Out to Girdle Earth — Ore Reserves at Highest Level in History

By WILFRID SANDERS

TIMMINS. — Twenty five years ago last month, a little 10-ton stamp mill started pounding away in a clearing in Ontario's hinterland.

That pounding was the first faint heart-beat of what is now one of the wonder-mines of the world, Hollinger Consolidated Gold Mines.

Now, within sound of the ceaseless rumble of Hollinger's vast 8,000-ton cyanide mill, this little two-stamp affair is taking a well earned rest, mounted on a cement base in front of Hollinger's office, honored by all visitors despite the almost ludicrous contrast it affords with the near-by modern mill.

In the 25 golden years since this little unit started sturdily crushing the Porcupine rock, nearly 250 million dollars worth of gold has been taken from that property.

Ribbon Round the World

If that money had been changed into the new bank of Canada one dollar bills, these would have made a ribbon nearly long enough to reach around the globe, at the equator, or nearly 25,000 miles long.

To get this gold, a tonnage of ore has been taken from the property which, if placed in the form of a solid block, would make a cube of rock 710 ft. each way.

Despite this huge tonnage, there is today no reason to believe that the mine has not many years of profitable life ahead of it.

A visit to the property confirms the fact that the so-called "mopping up" process, by which Hollinger aims at utilizing the low grade material in the upper levels, profitable at present gold prices, is in full blast. Nearly half the 5,000 odd tons put through the mill daily is from above the 800-ft. level.

Short Term View

Many investors have expressed disappointment at Hollinger's dividend policy, and the fact that the more or less regular five cents per share bonus is admittedly uncertain in the near future. This disappointment has taken tangible form on the market, and has depressed Hollinger shares.

That this is a "short" view seems apparent when one studies the present set-up at Hollinger.

Since the policy of concentrating on the upper levels was put into force over a year ago, it has been found that there were a satisfactory number of ore bodies in these upper reaches which, with gold at $35 per ounce, could be worked at a profit. Very little, if any, of this ore could be worked with gold at the old price of $20.67 per ounce. Most of it grades between $1 and $4.50 per ton in gold.

While there is no definite reason at the present time to believe that present price of gold will not prevail for an indefinite period, there is, conversely, no tangible reason to believe that it will continue for ever.

Thus Hollinger had to clean up this marginal ore now, or run the risk of making it unavailable for exploitation for ever.

Another feature to remember, as pointed out by the president, N. A. Timmins, at the time of the company's annual meeting last May, is that operating costs are now at a low level, and may start to rise at any time.

This "low grade" policy has, unquestionably, added materially to Hollinger's ore reserves. None of this material is included in the official estimate of ore reserves, which includes only that grade of ore which can be considered profitable over the long term. To offset, to a certain extent, the effect of this lower grade on earnings, greater tonnage is being passed through the mill, as can be seen in the following quarterly production figures:

Quarterly Output

1935	Tons milled	Tons daily	Recov. per ton $	Bullion recov. $
Mar. 31..	446,800	4,964	4.17	*1,865,499
June 30.	449,129	4,936	4.84	2,173,720
6 mos. ..	895,929	4,950	4.51	*4,039,219

*Value in Canadian funds, $2,842,772 for the first quarter after deduction of bullion tax and $6,837,747 for the six months before deduction of bullion tax.

The Financial Post could find no basis for the rumor, fairly prevalent in Toronto, to the effect that the tonnage would be stepped up to 7,000 tons daily. At the present time tonnage is running slightly over 5,000 tons per day.

How long it will take to clean up these upper levels is an important question but one to which nobody unfortunately has the answer. Since development was concentrated on this phase, a surprising amount of marginal ore has been exposed on these levels. The general opinion here is that it will take at least two years to extract all the ore from these upper levels. It may take a much longer time, but two years is generally conceded to be the minimum.

In the meantime, the mill is currently getting all its ore from above the 2,750-ft. level, and about half of it from above the 800-ft. level.

Underground, Hollinger is an intricate maze of workings, fed by 23 vertical shafts. Sixteen of these shafts have been sunk from surface, and seven from one or other of the 28 levels.

At the present time, four of the surface shafts are in actual use; main, Central, No. 11 and No. 19. All the ore is being hoisted through the Central shaft. Three interior shafts are active.

Development at Depth

The deepest shaft at Hollinger is down 4,550 ft. Development work only is going on at the deeper levels, below 2,750 ft. However, this development work is reported to be resulting in piling up a considerable quantity of new, high grade ore.

In connection with ore reserves, it should be pointed out that the occurrence of ore at Hollinger is such that a cut and dried analysis of underground ore conditions is impossible. Gold occurs in intricate systems of closely spaced branching and interlacing veins or lenses, which is why Hollinger, underground, presents a baffling maze of levels, drifts and crosscuts.

Broadly, however, there appears to be little doubt that when the annual report for the year ended Dec. 31, 1935, comes to be prepared, ore reserve tonnages will, because of this concentration on upper levels, show material increase. For a number of years Hollinger has been developing considerably more ore than the mill has been treating, with the result that reserves have steadily piled up.

The following tabulation of ore reserves as at Dec. 31, for the past three years, illustrates this fact most clearly:

Blocked Out Ore
Dec. 31

Year	Tons	Grade*	Value
1934	7,061,926	$7.28	$51,440,260
1933	6,487,559	7.47	48,430,451
1932	6,049,548	7.52	45,492,076

*At $20.67 gold.

Open Cut Operations

A little known feature of the Hollinger workings are its open-cut operations, several of which are in operation during the summer months. The work is always suspended during winter months, due to the intense cold. Next year, The Financial Post was told, the company plans several new open cuts, one of which will be just south of the mill building.

Over 10,000 persons, mostly Canadians, hold Hollinger stock at the present time. When one recalls that as recently as 1919 the company had only 2,600 shareholders, the encouraging distribution of this stock becomes more apparent.

Hollinger, in this, its silver jubilee year, finds itself better equipped to face the future than ever before in its history, making allowance for the ever-present fact that each year of production must, necessarily, shorten a mine's life. The basis for this statement is supplied by the following facts:

Despite increased capacity, ore reserves are increased, and now stand at the highest point in the company's history.

The success which has attended the "mopping-up" process, described above has lengthened the life of the mine by a number of years.

Depth operations have shown conclusively that the mine does not bottom at nearly 5,000 ft. The geology of the Porcupine camp has led many engineers to believe that the depth limits are unestimable.

Lastly, but perhaps, most important, is the fact that company, with consistent effort, is developing outside properties so that the life of the company, as a whole, may be prolonged indefinitely.

GILMOUR GOLD MINES MILLS 60 TONS DAILY

Concentrates Being Bagged For Shipment to Smelter

The mill of Gilmour Gold Mines at its property in Hastings County, southeastern Ontario, is now treating about 60 tons daily, The Financial Post is officially informed, millfeed being drawn from the dumps only.

R. J. Farquharson, consulting engineer, reports that owing to oxidation caused from long exposure to the elements this ore does not readily amalgamate, and will be shipped in the form of concentrate to a smelter. Some 3,000 tons of concentrates have already been bagged and are ready for shipment.

A test run on underground ore indicated that this would amalgamate readily. Underground drilling, stoping and blocking out ore are being proceeded with, in order to supply further millfeed when the four or five months' supply of dump ore has been milled.

The ore on the dump is being treated first on the recommendation of R. J. Farquharson, consulting engineer, as considerable revenue can be derived from this source, also because adjustments will be necessary to treat the unoxidized ore from underground workings. By first taking the ore off the dump, unnecessary delays will be avoided.

McWATTERS EARNS 11 CENTS A SHARE IN SEVEN MONTHS

Operating Costs Equivalent to $7.67 Per Ton

Net profit of McWatters Gold Mines in the first seven months of the current year were equivalent to 11.4 cents per share, according to an official statement.

Gross earnings from bullion production of $372,731 in the seven months ended July 30 amounted to $269,981. Deduction of taxes, depreciation at the rate of 15 per cent on plant and $1 per ton write-off for prior development left a net profit of $212,334 for the period.

Total tonnage treated during the seven-month period amounted to 13,391 and average recovery was 0.78 oz. per ton. Operating costs were $7.67 per ton. Net earnings were equivalent to $20.16 per ton of ore milled and net profit to $15.85 per ton.

On the basis of earnings in the first seven months of the year profit for the 12 months ending Dec. 31 next should be in excess of 20 cents per share. In September mill tonnage was stepped up from 100 tons to 150 tons daily. This will improve the earning position of the company and profit in the last quarter of the year should be higher than in the previous three-month periods.

McWatters has been one of the outstanding junior golds of the year. Brought into production a year ago last month with a 50-ton amalgamation plant operations have shown steady improvement as is indicated by the fact that mill capacity is now 150 tons and a cyanide plant has been installed. Minewise the company's position has also shown improvement.

HUDSON PATRICIA PLANS TO INSTALL 50-TON MILL UNIT

Power to Be Supplied 100 h.p. Diesel Engine

Plans for the installation of a 50-ton mill at Hudson Patricia Gold Mines have been completed, The Financial Post is informed.

The various units, which consist of a ball mill, classifier, crusher and cyanidation equipment, are now being assembled, and it is expected that the complete equipment will be on its way to the property by Oct. 15.

Power for milling operations will be supplied by a 100 h.p. Diesel engine until such time as hydro-electric current becomes available. Hudson Patricia is one of the companies which will benefit from the enlargement of the Rat Rapids development of the Hydro-Electric Power Commission of Ontario, announcement of which was made recently.

Early in the year it was announced that Hudson Patricia had ore reserves sufficient to operate a 50-ton mill for a period of about two years. Since that time reserves have been increased by a well-directed and aggressive underground programme. The company's objective was to block out 75,000 tons of ore prior to construction of a mill. No announcement has been made as to whether this figure has been reached.

American Smelt'g Reports Improvements in Earnings

American Smelting and Refining Co. reports an increase of 18.7 per cent in net profit during the first half of 1935 as compared with the corresponding period of last year. Net income for the period including profit on inventories in excess of normal amounted to $5 millions as compared with $4.2 millions in the six months ended June 30, 1934.

Earnings, after allowing for the first half year's dividend requirements on the two classes of preferred stock, were equivalent to an annual rate of $3.02 per share on the common stock. The comparable rate for the first six months of 1934 was $2.14 per share.

Current assets as of June 30 last were nearly six times current liabilities, the former amounting to $99 millions and the latter $16.9 millions. The company had on hand at that date, cash and United States government securities totalling $24.9 millions as compared with $22.3 millions at the beginning of the year.

Shenango Gold Plans Production By Winter

With finances assured for an enlarged development programme at its property in the Oba area, Northwestern Ontario, Shenango Gold Mines is rushing preparations for bringing the property into production before the winter season.

Plans have been completed for the installation of a 25-ton mill unit and work is proceeding with a large crew of men in blocking out ore for millfeed. J. W. Storer has been engaged by the company to superintend milling operations.

An official statement reports that the recent shipment of ore, taken at random out of one of the pits, averaged one ounce of gold per ton after free gold had been eliminated. It is estimated by officials that millheads will average between $10 and $20 per ton.

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DOME MINES OUTPUT $579,158 IN SEPT.

Directors Confirm Purchase of Foley-O'Brien Property

Bullion production of Dome Mines in September was lower than in the previous month, being estimated at $570,158 as compared with $606,239 in August. Tonnage of ore treated totalled 45,400 tons as against 46,900 tons in the previous month. Recovery per ton remained steady at $12.56.

For the first nine months of the year output amounted to $6,154,641 from the treatment of 410,400 tons of ore.

Directors of the company have confirmed the purchase of the Foley-O'Brien property, adjoining the Dome mine. The property comprises 520 acres on which some surface work has been done. It is officially stated that Dome does not plan any immediate development of this property, but made the purchase on the possibility that the good ore on the lower Dome levels extends into the Foley-O'Brien section. The purchase price is reported to have been $645,000.

Siscoe Production Reaches New Peak

Third quarter production of Siscoe Gold Mines established a new high for any quarterly period in the history of the company. Production for the three months ended Sept. 30 amounted to $568,354 as against $548,413 in the second quarter and $564,919 in the first quarter. Output in the third quarter of 1934 was valued at $531,753.

Production during the first nine months of the year was $128,000 higher than in the same period of 1934, totalling $1,680,685, as against $1,558,558 in the nine months ended Sept. 30, 1934.

Higher production in the third quarter of the year assures improvement in earning results as compared with the previous quarterly periods. The three months ended Sept. 30 last was the first quarterly period in which the bullion tax was not operative. Recovery per ton in the third quarter was also higher.

Copper Output Drops 15 Per Cent in July

Canadian production of copper and nickel in July both recorded a decline as compared with the previous month, the former being 15 per cent lower and the latter 14 per cent.

Copper producers reported an output of 30,965,129 pounds in July as compared with 35,613,851 pounds in June. Production, however, was higher than in July, 1934, when output totalled 29,456,597 pounds. Production during the seven months ended July 30 amounted to 245,975,621 pounds as compared with 206,102,472 pounds in the corresponding period of last year.

The world production of refined copper in July amounted to 124,500 tons as compared with 120,700 tons in the preceding month. The United States production was 38,500 tons in July.

Nickel production in Canada declined from 11,665,507 pounds in June to 10,189,261 pounds in July. Production in July, 1934, totalled 10,649,811 pounds. During the first seven months of the year output amounted to 73,821,142 pounds

TWO OLD TIMERS NEAR SEINE RIVER GIVE SIGN OF LIFE

Elizabeth and Olive Mines Both Respond to Early Revival

From Our Own Correspondent

MINE CENTRE. — Two current mine revivals in the Seine River area of northwestern Ontario are attracting attention, although development is in its early stages. The properties are many miles apart in the region called the Seine River area—upper and lower—booming during the latter part of the last century and the first part of this. The properties are called the Olive, located at Mine Centre, and the Elizabeth, quite close to Atikokan.

Start on underground work at the Olive is to be made upon installation of additional machinery. Work at the Elizabeth will be speeded up at once with the addition of some machinery.

The Olive mine was a producer at one time in its history, and the Elizabeth also had a mill installation of 30 stamps. At the Olive, sampling was done by F. G. Huycke, M.E., with a total of some 400 samples being taken. On the first level an ore shoot was indicated for a length of 188 ft., with an average of $7.80. In an old stope which extends from the second level to surface, assays of samples ran from a trace to $110.35. The last sample of No. 4 ore shoot here gave $21.35 in the face, indicating that the drive was discontinued while still in ore. In the extreme westerly face at this horizon commercial values were also indicated, with a sample taken over drift width returning $33.60.

The work is being done by Olive Gold Mines, in which Swayze-Huycke Gold Mines, holds vendors' shares position. Pending arrival of the plant a construction programme is to be carried out.

The Elizabeth mine is a gold attempt in a region which has attracted more attention as an iron source in the vicinity of Atikokan, a divisional point on the C.N.R., 141 miles west of the Lakehead. Sampling of the Elizabeth was done by C. H. Miles, M.E., consulting engineer, for Elizabeth Gold Syndicate.

Under old operations the stamp mill presumably obtained very small recovery. Among tests made will be shipment of two tons of ore from every section of the workings to get a mill test, or bulk sampling for determination of average values.

A third mine exploration effort that is being stepped up in scope is that of South Vermillion Gold Mines. Quite recently a favorable report was made on this property by W. M. Rice, M.E., and the company is preparing to implement the recommendations made. Equipment for enlarged ore search has been installed, and the shaft is to be taken down to 125 ft. for lateral work, following which another 100 ft. of sinking is proposed.

Chromium Mining Reports Cash on Hand of $24,000

Chromium Mining and Smelting Co. now has cash on hand of $24,000, The Financial Post is officially informed. The balance sheet as of June 30 last, which was reviewed in last week's issue, showed cash on hand of $9,271 and $36,751 owing to the company under the underwriting agreement. This latter amount has been paid in full.

The amount of $40,000 shown in the balance sheet as owing on the purchase of a smelter at Sault Ste. Marie is payable over a six-year period, $10,000 at the end of three years and $10,000 per annum for three years thereafter.

The following officers and directors have been elected for the ensuing year: A. R. Globe, Hamilton, president and managing director; R. O. Denman, Hamilton, vice-president and treasurer; Norman W. Byrne, Hamilton, secretary; Ewart Angus and F. J. Maw, Toronto.

A good working philosophy

I spent last evening with my friend the Professor. He lectures every day to a class of young hopefuls on philosophy. So I thought I might learn something. I thought, maybe, he'd tell me why I like spaniels and don't like pekingese, why I can figure the odds on my favourite bangtail but can't keep my bank account straight, why I get all worked up over politics and then forget to see that my name is on the voter's list. But he didn't tell me.

Instead of that, he gave me a lot of hot tips about Realism, Metempsychosis and Peripatetics. At least, I think that's what it was about.

"Professor," I said, "I can see that it takes a long time and a lot of study to become a professor of philosophy, but it doesn't take that long to be a philosopher."

"You're right," he agreed as he handed me a Bachelor, "and you can be a professor and not a philosopher. But any man can sit back, take a couple of long pulls of this pure Havana fragrance, and let the rest of the world go by. And that's a good working philosophy for every day any time."

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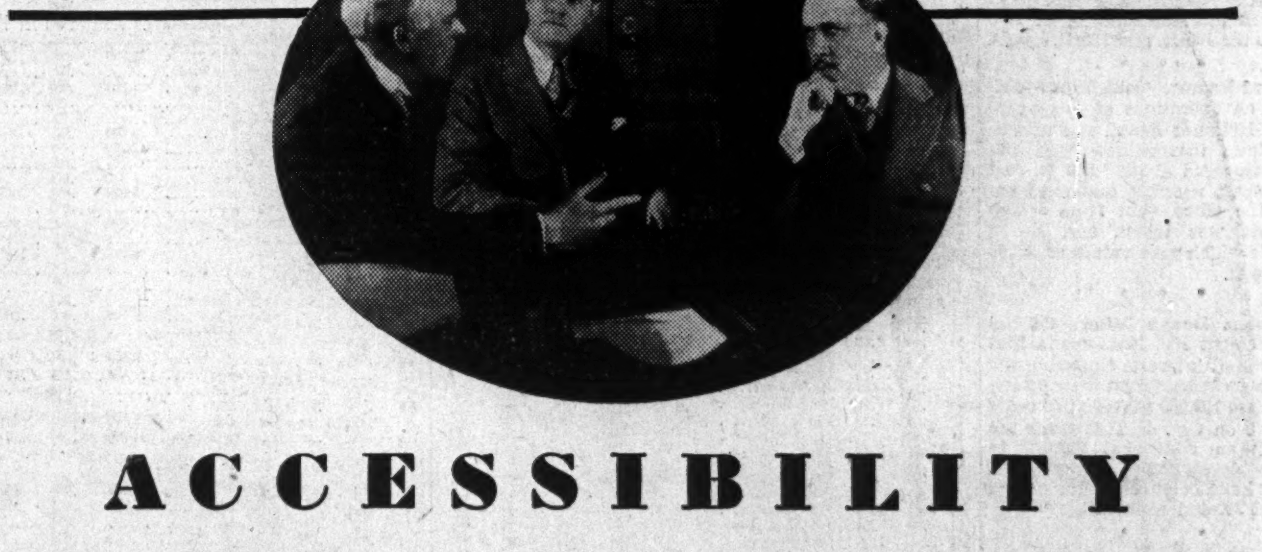
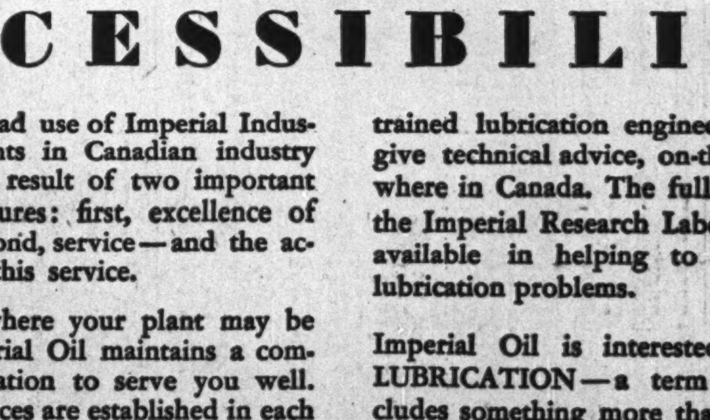


From COAST To COAST



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